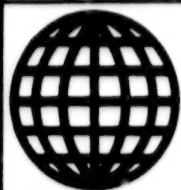


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18 SEPTEMBER 1989



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JPRS Report

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JPRS-EER-89-105

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CZECHOSLOVAKIA

Current Goals of Philosophy Defined

24000165 Prague NOVA MYSL in Czech
No 4, 1989 pp 13-21

[Article by Jakub Netopilik: "The Current Role of Philosophy"]

[Text] The process of restructuring makes newly relevant the ideas and works of V.I. Lenin, the 119th anniversary of whose birth we are remembering these days.

The revolutionary workers' movement has always turned to Lenin's legacy of ideas; it is even more relevant today, when under the inspiring influence of the 27th Congress of the CPSU and subsequent plenums of the CPSU Central Committee, and particularly of the 19th All-Union Conference of the CPSU, the international communist movement is reflecting on its past history, critically evaluating its achieved successes as well as losses, and in the interest of preserving peace, civilization, culture, and social progress is making a transition to new political thinking. The overcoming of dogmatism, of rigidity of thinking in politics and economics, is necessarily contingent on the restoration of Leninism in all spheres of social activities. The correctness of the ideas and values which are formulated in the works of Lenin, Marx, and Engels, as well as of those who developed their spiritual legacy, means that this treasure-trove of ideas must be the guide to a creative search for answers to contemporary questions of social development—today especially to the basic question of the present time—ensuring a way for the survival of mankind through a revolutionary transformation and realization of the primary mission of the revolutionaries: to eliminate all forms of oppression and degradation of the human race.

Lenin pointed out: "History in general and the history of revolutions in particular are always richer, more complex, more eventful and 'more mysterious' in their content than even the best parties imagine, even those most politically mature vanguards of the most progressive classes." The complexity of the current developments and tasks that mankind is solving requires a search for better solutions. The characteristic feature of the scientific revolutionary thinking and the revolutionary practice that is based on it (Lenin's idea that without revolutionary theory there cannot even be a revolutionary movement) was and is the endeavor to describe things truthfully, to be realistic and self-critical, to be sensitive to newly arising problems and tasks, to be deliberate and daring in solutions and actions.

Marxism-Leninism not only revealed the dialectic laws of the evolution of society and thus made it possible to scientifically understand and change reality, but it also considers it necessary to take a critical approach to its own content, which requires that various notions and precepts that are not relevant to the present be given up. As any other scientific theory, it is evolving and its

evolution is marked by linking fidelity to the principles of revolutionary theory with the creative formulation of new ideas and concepts, and by generalization of the experiences of the international workers' movement, revolutionary practice, and experiences drawn from socialist development in each country. Lenin often pointed out the principle of relativity of our knowledge, that each attained level of knowledge is relative, i.e., it is surpassed by further development of knowledge, but nevertheless is a step closer to the so-called absolute truth.

In this connection it is necessary to give up claims to a final truth, to a single correct understanding of social development. The time of a monopoly on truth is past, and the democratization of society brings with it also the democratization of theory. This does not mean, however, giving up the basic philosophical principles and categories of the Marxist-Leninist theory which are something like a theoretical system of coordinates created by the entire preceding course of the development of knowledge. These general principles and categories cannot be thought of as some dogma, but as necessary theoretical instruments making it possible to theoretically grasp reality. The practice of realist socialism, the experiences of the communist and workers' movement, and contemporary social and technological progress in no way refute the truth and enduring value of dialectic materialism, of the materialist concept of history. They demand of it, of course, to give the necessary answers to the requirements of the current epoch.

Marxism-Leninism is not a closed, dogmatic system—although it has been often moulded into such a system, but that was totally contrary to its spirit—on the contrary, it is an evolving theory that is open to everything that is valuable, that exists in the cultural legacy of the past and in the current results of human knowledge. A regeneration of theory and practice must "...take these new changes into consideration, 'utilize' them, capture them—if that is the way to express it—and at the same time not be helplessly carried by the current, not throw away the old weaponry, preserve what is basic also in the types of activities, and not only in the theory, in the program, and in political principles."

Marxism-Leninism was born and developed in a never-ending creative searching. A very important task is to support discussions about the pressing problems of today. The effort to overcome stagnation in theoretical work, to renew the creative spirit of Marxism-Leninism, to link science with revolutionary practice, is becoming an urgent need of the communist movement. In contrast to the previous stages of creative development, the point today is to make an effort to achieve a pivotal turning point in the development of revolutionary theory, to create a dialectic unity of theory and practice. It is not always sufficiently kept in mind that the coherence, the unity of theory and practice, is dialectic; it is not possible to divorce theoretical tasks from practical tasks, nor is it possible to replace theory by a mere listing of facts:

theory must be ahead of practice, understand phenomena more extensively and deeply, theoretically express their essence. At the same time it is important that theoretical theses be constantly confronted with practice, with changes in society. We proceed from the premise that Marxism-Leninism is not a dogma, it is not a collection of ready-made theoretical recipes, but a guide to action, action to gain knowledge as well as action that transforms the world. It is important to keep adapting it to concrete historical conditions, because theory which does not relate to reality acts as a brake on social development, on political movement, it takes away its perspective just as purely pragmatic actions impoverish theory.

The more complicated, the more far-reaching social processes become through the influence of sociohistorical practice and technological advances, the more important becomes scientific theory which reveals its inner laws as well as concrete historical particularities. In this regard it is expected of the social sciences, including philosophy, that they will contribute much more adequately, conceptually, and quickly to the recognition of the real problems of social practice and to determine the trends of its likely development. "In order to determine a long-range strategy for the development of our society, it is necessary to substantially increase the predictive aspect of the social sciences," said comrade M. Jakes in his speech to the aktiv of the staff of the College of Education of the CPCZ Central Committee and the Institute of Marxism-Leninism of the CPCZ Central Committee, "because without comprehensively worked out socioeconomic projects and forecasts it is not possible to successfully direct the socioeconomic development of society and the education of man. That requires workers in these sciences to find the courage to tackle also those problems which have not yet become a part of political solutions, and not remain at the level of mere commentators of social processes or party resolutions." The socialism of today must understand itself, its past, present, and future, and its place, task, and its links with the civilization and culture of the world. That can be achieved only by daring thinking and creative courage. But a scientific anticipation of social developments is a most difficult of tasks, whose level of solution is an important indicator of the methodological means which the social scientists have at their disposal.

If the predictive character of the social sciences, including philosophy, is to be enhanced, it will be necessary to continue developing in depth the methodological means and approaches which enable us to analyze future developments, and synthesize arising problems and results of research into various projects and alternative solutions. Besides that, however, it will be necessary to mobilize the entire arsenal of means for productive, creative thinking.

The restructuring of society also demands the restructuring of the style and content of thinking. Philosophy here plays an irreplaceable role, because the essence of the restructuring of thinking is a thorough mastering of

the principles, laws, and methods of dialectic materialism as the most complete and most revolutionary critical teaching about development, a decisive turnaround of theory—science to practice and practice to theory—to science, mastering of innovative, constructive approaches to solving complicated problems. "It will greatly depend on philosophy in many respects," said comrade J. Fojtik in the report of the CPCZ Central Committee at the 10th Plenum of the CPCZ Central Committee, "to show that Marxist-Leninist dialectic-materialistic methodology is a methodology of a creative spirit, that it demands an atmosphere of searching and innovativeness, that in its essence it is in contradiction with dogmatism, that it compels us to overcome schematic structures unrelated to life, to give up everything that life did not confirm, that was based on distorted practice and that lead to an opportunistic explanation of revolutionary theory.

Dialectic-materialist methodology is the potential of creative thinking. It is the greatest legacy that the classics of Marxism-Leninism left us. On its basis we must not only improve, but qualitatively regenerate, social sciences and bring them to the level demanded by the times."

Dialectic materialism is revolutionary in its essence, and in revolutionary periods of history its importance especially comes to the fore. It was not by chance that Lenin developed dialectics with extraordinary attention in pre-revolutionary years. Our times, the time of revolutionary restructuring, also feel a profound need for dialectic materialism.

Theoretical activity under the conditions of socialist construction, and of restructuring in particular, becomes one of the moving forces of further social progress. The social sciences, including philosophy, have not been always fully incorporated into the system of sociopolitical practices as a binding element, as an instrument of analysis and the working out of practical solutions. Such a situation inevitably contributed to a rift between theory and practice. That in turn caused the social sciences and philosophy to become divorced from life, to fall into speculativeness, schematism, and often a certain intellectual primitivism, and practice in not a few instances took on the features of pragmatism, narrow departmentalism, and comfortable conformism. As a result of various causes theoretical activity in social sciences lagged behind the needs and requirements of social practice and socialist construction, it did not yet get rid of routine interpretations of the classics' theses, it does not offer adequately substantiated answers to all the questions of social development, it abandoned the creative methods of conceptualizing the present state and future prospects of socialism. That is still having a negative impact in many spheres of social life. However, it is also true that the representatives of practice have not felt sufficient need to utilize the results of social sciences research in the interest of improving the social process. And to the extent that they were utilized, it was often merely for propaganda purposes. Only a pressing social

need and a systematic practice of utilizing the social sciences can rid them and philosophy of scholastic theorizing or "photographing" of social processes and make them useful and efficient.

If we ask ourselves the question why the spreading of Marxist-Leninist ideas did not reach the desired level or why these ideas lost their appeal to a certain degree, then one of the reasons must undoubtedly be looked for in the inadequate dialectic elucidation of the real problems in life. Without underestimating the development of dialectic materialism through the clarification, deepening, and confrontation of its principles, categories, and laws, its real development—and all the Marxist theories—rests, as Lenin underscored many times, in a concrete analysis of a concrete situation, that is, in the correct use of its fundamental principles, categories, and laws to resolve the weightiest and most important problems brought about by social practice.

One of the ways to bring philosophy closer to life and to restructure philosophy undoubtedly is to adopt Marx's research method. Dialectic materialism thus far served only to a small degree as the "best work instrument" (B. Engels) to acquire new truths and was more or less transformed into a "sum of examples" or into an instrument of merely "proving" (V.I. Lenin) already known truths. Philosophical thinking in this instance limits itself to a constant reworking, reformulating and clarifying of already known tenets. But that becomes a breeding ground for scholastic theorizing. Philosophical knowledge can develop only in connection with the development of science and social practice. Philosophy makes sense when by means of its principles, categories, and definitions it is able to understand the world as a whole, and when it does it in correlation to man and his needs, norms, requirements, and ideals, when it succeeds in carrying out a universal synthesis of the spiritual wealth accumulated by mankind and generalize the means for developing human culture, science, and practice.

The overriding task of Marxist-Leninist philosophy is becoming, despite all the difficulties of its realization, a coherent understanding of the world in its real contradictions as well as determining tendencies. Linked to that is the search for and development of methods and ways to put in order the varied streams of new knowledge and information about processes taking place in the world, and drawing conclusions, ideas, and concepts commensurate with the current technological progress and social practice. The fact that this has not been successfully done as yet proves that philosophical thinking lost some of the lively interest, or, to put it in a better way, the courage and daring to make far-reaching conclusions and generalizations, particularly such as would include heterogeneous data about the development of social practice, of sciences concerning society and man.

The need for a philosophical understanding of the contemporary world places great demands on the activation and deepening of the world-view, methodological, and ideological functions of Marxist-Leninist philosophy. The questions of the development of socialism, its qualitative regeneration, methods of better satisfying the material and spiritual needs of man, democratization of society, all-around activation of man, universal and class relations, humanism, moral values, technological revolution, global problems of mankind, the existence of the world as a contradictory whole, new thinking, etc., have profound world-view importance and require raising philosophical work to a qualitatively new level.

As the scientific theory of society, philosophy is called upon to critically illuminate from world-view positions the processes of social life now under way. The gauge of philosophical evaluation of events is the discovering of perspectives of the historical development of class and humanity. In this respect the specific task of philosophy is to understand the connection of the present to the past as well as to the future, of what exists and what is to be. It cannot be satisfied either with an uncritical apology for reality, or with an escape from reality into pure observation and abstract thinking.

Philosophy, however, is called upon not only to provide points of orientation in social affairs for man and help to formulate his world-view, but also to nurture in him moral and esthetic qualities, a socialist relationship to work, a sense of responsibility, self-discipline, political activism, ideological conviction about the correctness of Marxist-Leninist teaching. Ideological work is the most important part of instructing working people in socialism. It is an area not only of the use, but also of creative development of basic ideas. With the development of socialism at a qualitatively higher level necessitated by the restructuring and democratization of society, the role of political maturity, Marxist-Leninist ideology, science, culture and art as the deciding moving forces of social development is growing, because everything that is taking place in social development passes through the conscience of man who is the main factor in the regeneration and development of socialism.

During the restructuring and democratization of society the cultural and educational function of philosophy in forming the spiritual profile of man, the system of his social and moral values, inevitably grows. The future fate of socialism will depend not only on the developments in science, faster technological progress, creation of the material-technological base, increased efficiency of the national economy, and creation of new social institutions, but above all on man's maturity, his world-view, ideological and cultural level, his work activity, initiative, creativity, flexibility of thinking, public-spiritedness, on the unity of his knowledge, convictions, and actions. The creation of socioeconomic and ideological-moral conditions for the maximum release of the creative potential of every man and all the people is the

basic ideological-value orientation which determines the further progress of socialism and the realistic attainment of its goals.

To resolve the tasks of the restructuring requires the raising of the methodological function of philosophy to a higher level. Of overriding importance here is the deepening and strengthening of interaction with the natural, technical, and social sciences. Philosophy is called upon to develop the methodology of cooperation among them, to become the initiator of their comprehensive research and of combining the efforts of the representatives of the natural, technical, and social sciences.

During the process of restructuring, the trends toward interdisciplinary solutions to problems of further development of society are growing stronger. It is becoming obvious that all important social problems today are of a complex nature and are becoming points of intersection of many scientific disciplines.

The need for integration of scientific knowledge, for unification and cooperation of sciences calls for the creation of objective and subjective conditions, among which the world-view and methodological function of Marxist-Leninist philosophy plays a primary role. An example can be the study of global problems, the solution of which requires the cooperation not only of philosophers and scientists of various disciplines, but also of politicians and statesmen. In this integration process the Marxist-Leninist philosophy plays an irreplaceable role. That does not mean that it should be something of a supra-science, but that its role lies in the theoretical, world-view, and methodological contribution to the solution of complex problems.

In order that dialectics fulfills its function as a method of learning and acting, it must be developed in conjunction with the development of scientific knowledge and revolutionary practice, and it must be ahead of this development. For that reason, in working out dialectic materialism as a theory and method, any schematism or simplification is out of place. The reason for the fact that dialectics is often not considered to be a method which could ensure the development of scientific knowledge was that it was dogmatized and simplified, but above all that its development was to a certain degree arrested and it was not adequately elaborated. Only by developing dialectic materialism to meet the level of requirements of contemporary scientific knowledge, technological progress, and social practice, can it fulfill as a method the function of an ideological directive, a philosophical instrument which purposefully directs the course of thought processes and practical transformation of a contradictorily developing reality.

The development of Marxist-Leninist philosophy is not possible without a thorough and basic criticism of contemporary anti-Marxist and non-Marxist teachings. But criticism in no way means the refusal of a dialogue, it is

a component of it. After all, philosophy has been developing for more than 2,000 years as a critical dialogue among individual currents of philosophy.

Criticism cannot be thought of as a negative refusal, as an utter negation, but must serve toward a positive working out of philosophical problems, in whose solutions the contemporary bourgeois philosophical currents also share. Criticism presupposes also a positive approach to its results, as well as their acceptance, because Marxist-Leninist theory, in spite of all the breadth in which it comprehends reality, is not able to discern all the infinite and boundless spheres of knowledge of the qualitatively diverse global processes.

However, the assimilation of the results of non-Marxist thinking in no way means incorporating them mechanistically into the Marxist-Leninist theory. The development of this theory is possible only on its own basis. Just as no serious philosophy gives up its basic principles—with the exception of various eclectic currents—so Marxist-Leninist philosophy cannot give up its own principles, coherent logic, its own structure. But neither its principles nor its structure are static, they develop as it enriches itself by the achievements of all the sciences, culture, and all human thinking.

One of the main conditions for increasing the quality and efficiency of philosophical work is an organic linkage of science and party allegiance. The principle of party allegiance demands a clear class position, consistency in defending it, creative development of the basic principles of Marxist-Leninist theory, as well as the overcoming of dogmatism.

Philosophers undoubtedly will have the task of overcoming the remnants of dogmatism of Marxist-Leninist theory generally and philosophy in particular, that is, lack of openness, isolation, remoteness of philosophical scholarship from the life of society, abstract theorizing, and often even fabrications far removed from the truth, substituting study of real problems and processes of development for irrelevant elaborating of philosophical categories, etc. As experience has shown, even the thinking of revolutionary forces can become ossified and sink into authoritarianism, self satisfaction, and theoretical standstill. The cause for the rise of dogmatism was, other than the personality cult, Stalinism, bureaucratism, and administratively directed management, a low scientific and general cultural level of the cadres, a metaphysical inability to discern phenomena in their mutual interconnections and developmental contradictions. The result of that inability is an effort to link together disparate processes and mechanisms, and force revolutionary changes onto out-dated tracks.

Restructuring in the area of philosophy requires reexamination of views and thoughts which until recently were thought to be unchangeable and many of which already failed the test of time, and to search for new outlooks for the future. It is the time of searching as well as of exciting intellectual experiments from which the communist and

workers' movement, as well as all mankind, can gain much. The road does not preclude also various negative phenomena, because qualitative revolutions in thinking are, as Lenin pointed out, also at the same time crises in thinking, periods of doubts and sharp criticism, particularly of the recent past. A new thing always has a difficult birth, in pain and in discord. The diversity of ideas and views plays a positive role in this, because it brings forth a creative upsurge in thinking.

The democratization of spiritual life opens up room for independent thinking and searching, and at the same time corrects various errors as it leads to a confrontation of views in which truth is born. Clashes and confrontations can understandably lead also to various intellectual conflicts among people. However, there is no need to be afraid of them, because in sharp clashes truth is born more often than in situations without conflict. A certain level of arguments helps to energize the intellectual life of society and provides a remedy for dogmatism and comfortable conformism.

One of the most important tasks is revealing the philosophical, dialectic-materialist foundations of the new thinking—political, economic, technological, ecological, etc. The new thinking is undoubtedly a special stage in the development of universal consciousness in a critical period when all mankind is faced with the problem of self-destruction or self-preservation. The concept of the new political thinking was worked out by the CPSU, but it came into being because it is objectively necessary for all mankind. The new thinking stems from the objective needs of the epoch, from the successes of global progressive thinking, from the achievements of the Marxist-Leninist thinking of the past decades.

For Marxist, the new thinking is not without connection to world-view and method. The new thinking does not stand alongside dialectic thinking nor does it replace it. It is a requirement stemming from the known dialectics of the current universal process. That is why communists are called upon to be its bearers, to be an avant-gard force in spreading it and promoting it. The working class does not isolate itself from universal moral norms, but defends such norms as answer the interests of social progress and coincide with the interests of a huge mass of people holding various world and political views. The new thinking is not a renunciation of the party, class outlook. However, it requires a realistic and wise approach to the realities of the contemporary world and the program of a world without the use of force, mutual cooperation in resolving global problems, acknowledgment of the priority of universal values, the need for better international relations, dialogue between sociopolitical forces of the most varied, even opposite sociopolitical and ideological orientations. The development of the dialectic and the new thinking are not contradictory tasks. Dialectic thinking, which was formulated in the works of Hegel, Marx, Engels, and Lenin, can be kept alive only to the extent to which it will be successful in

elucidating contemporary socioeconomic, scientific, political, ideological, and cultural processes and phenomena.

The more successful socialism is in realizing the ideals of the workers' movement in which the humanistic values find a concretely historical expression, the more determinedly it creates an economy which is dynamic, without crises, and brings material well-being, the better it masters the technological revolution in such a way that by increasing productivity social and ecological security is ensured, the broader and deeper the development of socialist democracy and legality, morality, and emotionally and spiritually rich culture, the greater will be the contribution of socialism to the consolidation of peace and progress, the more attractive it will become. The development of socialism is today the most important and in many respects a decisive aspect of the processes of global development. It is taking place in sharp rivalry with an antithetic social order—capitalism. This rivalry can take place only and exclusively in the form of peaceful coexistence and peaceful rivalry. It appears that this coexistence has a longterm historic perspective. Besides "classic" capitalism and "classic" socialism there still exists a type of delayed development—the third world, which also has a longterm historic perspective ahead of it. We need to calculate with a theoretical model of a long, diverse, polymorphic, and as far as possible harmonious global development. That gives the philosophers the task of reworking the complicated and contradictory dialectics of global development.

As experience shows, the process of building socialism is long-term, contradictory, and has its qualitatively new stages of development, the most significant of which is the current restructuring and democratization. This revolutionary turning-point faces the criticism of bourgeois ideologues who maintain that communism suffered defeat. They do not want to see and understand that what is at stake is a revolutionary regeneration of socialism and the world, connected with the imperative of saving mankind. Socialism, as the classics of Marxism-Leninism already emphasized, is not a state but a movement, that is, it is not forced upon reality with a view to some generally valid, unchangeable ideals, but it develops in this world and stems from its realities which are always concretely historical.

It flows from the essence of Marxist-Leninist philosophy that the most important direction of philosophical work for the future remains its direct as well as mediated participation in the study of the dialectics of the development of socialist society and socialist man in context with the total world and social movement. Marxist-Leninist philosophy is by its very essence turned toward revolutionarily liberating and socially creative tasks of contemporary history, and thus it has no other way of creative development other than by illuminating the basic questions of social practice, socialist construction, current international development, and basic questions of the development of science, technology, culture, and

arts. The service to the practice of conscious transformation of society which brings people a truly social and spiritual liberation must become the strategic direction of all philosophical activity. In the unity of philosophy and a historically developing practice of socialist construction with the struggle for the survival of mankind, with the need for the development of science and culture, is the guarantee of its fruitful development.

National Committees Fail to Exercise Environmental Powers

24000164 Prague RUDE PRAVO in Czech
11 Aug 89 p 1

[Editorial: "The Environment and National Committees"]

[Text] National committees are responsible for the comprehensive socioeconomic development of a given territory. For that reason, it is quite natural that national committees also play an important role in environmental protection which is an indispensable condition for all further development. However, the results in improving the environment are still insufficient. Although national committees cannot be the only ones to blame for that situation, they do bear part of the responsibility for it.

Last year our federal government, the governments of both our republics, and the presidium of the CPCZ Central Committee discussed an important document about the further tasks of our national committees in the development of socialist democracy and in the restructuring of our economic mechanism. In this document it is stated, among other things, that in their administration of a given territory, particularly in their relations with industrial enterprises and cooperatives, our national committees still fail to avail themselves of the powers vested in them. Then the consequences may be seen also in the deteriorating environment.

Our legislative bodies recently adopted a number of new amendments to basic legal regulations (amendment to the law on national committees, the law on enterprise, laws on cooperative associations, etc) which extend the powers of national committees. Thus, for instance, national committees may express their views on the establishment, development and liquidation of state enterprises which are not under their administration but which operate on their territory. They may specify to such enterprises their share in the comprehensive socioeconomic development of their territory and in environmental organization and protection.

Of course, the method and the extent to which the national committees will be able to issue orders and regulate organizations will be stipulated by special laws which are now being drafted. And precisely in the stipulation and specification of this authority of national committees we may see a significant step forward in our efforts to improve the environment. Furthermore, national committees may impose penalties in the form of fines to organizations that fail to keep their premises in

order or that pollute public areas. The highest fine in such cases amounts to Kcs 50,000; these funds are left for the use of the national committees, and yet few of them avail themselves of this right. The reason? For example, a local national committee imposes a fine on a JZD [united agricultural cooperative] which continuously fouls up the road, but then the JZD refuses to lend its mechanical construction equipment for the Project Z [self-help program]. Naturally, such spitefulness may spread in our communities and turn into a conflict between the organization and the national committee. One may understand the position of the national committee but one cannot excuse it. After all, the national committee should count on the support of its citizens who certainly cannot remain indifferent if their community is an eyesore.

Alas, even district national committees, whose authority is decisive for the protection of clean waters and air, do not always act responsibly. Some employees of district national committees reduce the fines upon the recommendation of higher instances; their actions cannot be characterized in any other way but as local patriotism. Thus, for example, the Czech Control of Water Economy proposed last year that organizations in the sector of water economy which were remiss in their duties pay fines amounting on the average to Kcs 58,730, but district national committees imposed fines of only Kcs 43,581. Last year the Czech Technical Control of Environmental Protection proposed fines in the sum of Kcs 17,218,009 to a total of 88 organizations, but the national committees in charge fined only 71 organizations with Kcs 14,748,890.

The relations of national committees toward all enterprises, cooperatives and organizations operating in a specific territory are determined by their duty to cooperate in the socioeconomic development. Enterprises bear full responsibility for all harmful impacts of their operations on the environment, and therefore, they must heed the reprimands by the national committees or follow their decisions to improve the environment. On the other hand, in such relations national committees must avail themselves more forcefully of the rights and powers stipulated by laws.

For example, when making territorial decisions, national committees must unambiguously state their firm position on the deployment of investment projects, particularly as concerns their realistic sources of manpower, services, and technical and public facilities, and moreover, also take a firm stand against anything that may harm the environment.

Of course, to do that, national committees must be granted effective economic mechanisms to be applied against organizations in order to bring their operations in line with territorial needs.

Most sectors of national committees—water and forest economy; agriculture; sectors of culture and health services; sectors of community services administering

public parks, sewage, sanitation and in fact, the whole so called little environment—deal in their operations with environmental protection and care. Territorial planning agencies and construction sectors are particularly essential because of the vital importance of prevention—for example, these agencies may decide against the building of any facility potentially harmful to the environment.

Obviously, the operations of all sectors that fulfill their partial tasks also call for their mutual coordination. For that reason, the organization of an independent department for environmental protection at provincial and district national committees is under consideration. It requires no waiting for a decision from a higher instance. According to the amendment to the law on national committees, the national committees themselves may decide to organize such a department, if their specific situation so demands.

To the credit of national committees, it should be noted that the number of ecological facilities is steadily growing. Many of them, primarily waste water purification stations, have been built by the Project Z. However, even these particular achievements have their "buts" because, when building such facilities, our national committees are struggling with chronic shortages of planning and construction capacities, of construction materials, and of financial resources. Organizations show precious little willingness to pool their funds and thus, our national committees are facing as a rule aversion of organizations that should take upon themselves the obligation for investments in ecologic facilities.

One of the most important tasks the national committees must fulfill is to unify the interests of individual branches—ministries and economic organizations—on the territory they administer. They must get far more involved in the problem-solving of the so-called greater environment and see to it that the economic organizations respect the environmental concepts of the territory and district. They must share in programs to develop or phase out individual branches and avail themselves to the fullest of appropriate laws and legal regulations—all that in the interest of a healthy environment.

HUNGARY

Opposition Seeks Freeze of State Support Funds

25000403a Budapest HETI VILAGGAZDASAG
in Hungarian 29 Jul 89 p 7

[Text] Participants at the trilateral political negotiations last week requested that the head of state temporarily sequester the 50-million-forint fund set aside in the budget for the support of new political organizations. The "freeze" was initiated by the Opposition Roundtable after it learned who received how much from the account (see first table). In the Opposition Roundtable's view the fund should be sequestered until such time that the new political forces can agree on whether they will seek state support in the future,

and if so, under what conditions. The Opposition Roundtable also wants to clarify the question of what budgetary source the government used to set aside the above-mentioned fund.

As the table shows, several opposition organizations, including the Association of Democratic Youth [FIDESZ], the Association of Free Democrats [SZDSZ], and the Christian Democratic Party, did not want to receive any part of the state support. The amount transferred to the Hungarian Democratic Front [MDF] was accepted by one of the district organizations of the group; reports have it that the MDF intends to return the money to the budget account.

As to the source of the 50 million forint support, Mrs Gyula Nemeth, an associate at the Ministry of Finance, told HVG: The amount was set aside from the 260 million forint amount by which Parliament reduced the support provided to the seven old social organizations last June—among them the Hungarian Socialist Workers Party [MSZMP] and the Patriotic People's Front [PPF]. As seen in the second table, the government left intact only the support provided to the Red Cross. This was because of the Finance Ministry's argument that, due to the support provided to Transylvanian refugees, the Red Cross needed the original amount of budget support.

State Support and Expense Reimbursement Provided to New Political Parties and Alternative Organizations

	Organizational and Operating Expenses	Office Rental Fees
	(in millions of forints)	
Hungarian People's Party	3	
Independent Smallholders, Agricultural Workers and Bourgeois Party	3	
Ferenc Munnich Society	1.68*	
Hungarian Independence Party		0.528
Hungarian Political Prisoners Federation		0.528
Independent Hungarian Democratic Party	2	
Hungarian Social Democratic Party		0.179
Hungarian Democratic Forum		0.075
Total	9.68	1.310
Grand Total	10.99	

*Transfer in progress

Revised Amounts of State Support for "Old" Social Organizations Receiving Budgetary Support

	1989 Planned Support Level	1989 Revised Support Level
(in millions of forints)		
Hungarian Socialist Workers Party	1,045.0	919.6
Hungarian Democratic Youth Organization	734.0	650.324
Patriotic Peoples Front	297.0	274.66
Hungarian Journalists' National Association	59.0	52.319
Hungarian Red Cross	140.7	140.7
Hungarian-Soviet Friendship Society	44.4	39.338
National Peace Council	33.7	29.859
Total	2,353.8	2,106.8
Centralized Protection (World Youth Meeting expenses, PPF congress, etc)	246.2	233.2
Total	2,600.0	2,340.0

Source: Ministry of Finance

Reesk Group To Act on Behalf of Soviet Trial Victims

25000417c Budapest NEPSZAVA in Hungarian
11 Aug 89 p 8

[Text] The Reesk Association of the Independent Rehabilitation Committee, acting on behalf of its independent organizations, contacted the prime minister on 4 June 1989 regarding the unresolved problem of rehabilitating the victims of political law violations. Since no encouraging turnaround has taken place on this issue, the independent organizations reiterate their concerns, and report that on 29 July 1989 the Reesk Association's prisoner of war section was established. In this context the term "prisoner of war" means the more than 10,000 Hungarian citizens convicted by Soviet authorities (special councils, troikas) on Soviet "political provisions" without even the semblance of legality.

Society Seeks Return of Confiscated Materials

25000420b Budapest NEPSZAVA in Hungarian
22 Aug 89 p 5

[Text] Individual intellectual works which were confiscated in recent years from independent citizens in the course of residential searches and other police actions are still being held under lock by police. The Budapest chapter of the International Human Rights Society has publicized this fact, and reports that it intends to submit a petition to the Ministry of the Interior. At the same

time the society requests that all persons who suffered damage as a result of such actions by the authorities, and who desire to have their confiscated property returned, report to the head of the Society by 30 September: Peter Snee, Kisgomb Street 31, 1135 Budapest

Emigre Newspaper Returns to Hungary

25000420i Budapest NEPSZAVA in Hungarian
23 Aug 89 p 5

[National Press Service report]

[Text] MAGYAR MUHELY, a periodical which has been published in Paris since 1962, will return to Hungary in August. The first issue to be published in Hungary will appear in the spring of 1990.

POLAND**SD Secretary Views on Martial Law, Changing Role of Intellectual**

26000649 Warsaw PRZEGLAD TYGODNIOWY
in Polish 30 Jul 89 p 6

[Interview with Jerzy Robert Nowak, secretary, Central Committee, Democratic Party, on 18 July 1989 by Michal Ogorek: "There Is No Reason To Wait"; location not given]

[Text] [PRZEGLAD TYGODNIOWY] Has the coalition fallen apart?

[Nowak] Its former model has collapsed. There has been a total collapse of a coalition based on inequality before the law and on the principle of the leading role of a single party, a coalition where there were "equals" and the "more equal." It is encouraging also that certain key PZPR activists have publicly declared themselves in favor of the necessity of abandoning the inherited notion of the leading role of that party—for abandoning that notion is essential to the attainment of full parliamentary democracy. However, the coalition itself ought not to collapse, the opposite ought to occur. It would be desirable for it to be broadened with the addition of new democratic forces. Given Poland's current situation, when we find ourselves in a disastrous situation, literally at five minutes to midnight, it would appear that there is an indispensable need for an alliance of all thinking people, of reform-minded people, regardless of what side of the barricade they are on. These people ought to reach an understanding about agreed upon, negotiated measures to be undertaken in the best interest of the country for the rescuing of the economy.

[PRZEGLAD TYGODNIOWY] A coalition with whom and against whom?

[Nowak] A coalition with the reformers from the PZPR and the ZSL [United Peasant Party] and against the

doctrinaire deadweight and resistance of a large part of the party operatives and fundamentalists—especially at the voivodship level. To speak plainly, a coalition with such party people as Prof. Reykowski, Prof. Mankiewicz and Eiszbach, and not his successor Beiger who squandered the confidence that had surrounded his predecessor in the same post at Gdańsk.

We have many common ties with Solidarity, especially in our interest in broadening the political democracy and in taking concrete steps aimed at full parliamentary democracy and the opposition to domination by industrial lobbies.

We want to be in an alliance against the opponents of indispensable reforms who are found on both sides in the OPZZ [Trade Unions] and in the radical part of Solidarity. They are, above all, agents of a primitive egotism, populism and various kinds of social demagogues—people stuck fast to old doctrines.

[PRZEGLĄD TYGODNIOWY] Is the Democratic Party [SD] needed in this situation? After all, one can struggle for democratic reforms in Solidarity or in the PZPR.

[Nowak] The differences between the SD and Solidarity, on the one hand, and between the SD and the PZPR, on the other, derive from the fact that both Solidarity and the PZPR originated, at least to begin with, among workers and for workers. The SD was always associated with other milieus. I recall a broadcast last year on one of the Polish language stations during the period of the big wave of strikes. Those carrying on the discussion—opposition economists—expressed fears that the conclusion of everything might be an anti-crisis pact between the PZPR, representing the large plant working class from the money-losing mines, mills and shipyards and Solidarity, representing the working class from the money-losing mines, mills and shipyards. Such a pact would have had to come into existence at the expense of the village, the intelligentsia, a sound economy and common sense.

As everyone knows, after 1982, the working class was that class which the authorities continually tried to buy because they were afraid of strikes. Prof. Bobrowski himself admitted that everything that the authorities had gained in January of 1982 by means of an enormous increase in prices at the beginning of martial law, they lost by the fall of that same year. Fearing repercussions, they opted for a large wage increase in the heavy industries that were losing the most money. In that way, the authorities lost the other layers of society, mainly the intelligentsia. The authorities are not afraid of the intelligentsia; they fear only the working class. The intelligentsia's moaning and groaning about the situation in which it finds itself yields nothing. In order to battle effectively for its interests, the intelligentsia should organize, above all.

[PRZEGLĄD TYGODNIOWY] To defend itself against the working class? We were always taught that the role of the intelligentsia is to serve the working class.

[Nowak] When did this thesis of Marx originate, and can we continue to live by this old, 19th-century ideology? Can anyone who thinks realistically believe that Marx's famous statements on the need for the dictatorship of the proletariat and the hegemony of the working class still have any sort of validity? Marx could not anticipate that such a great reduction in the role of this class would occur in developed societies, because he could not anticipate microelectronics, robots and the like. Now in the United States, manual laborers, blue-collar workers, represent only 7 percent of the population, and in the year 2000 they will represent less than 3 percent. How can one speak of a dictatorship by 3 percent? This would be a smaller ruling class than the Polish nobility, which was 10 percent of society.

[PRZEGLĄD TYGODNIOWY] Nevertheless, it is basic to the tradition of the Polish intelligentsia that it does not fight for itself, but for someone else.

[Nowak] This will not be an egoistic battle. It will be a battle in the interest of Poland. If the most educated layer is put off and occupies the lowest place in the social hierarchy, this turns everything upside down. For decades, in Poland and in all the other socialist countries, the intelligentsia has experienced what Imre Pozsgay, the foremost Hungarian political scientist, has defined correctly as constant Tartar raids. That is the only way to describe what happened in the first postwar years with the old intelligentsia which was destroyed, degraded and eliminated. Then there was what happened to it under the latter part of Gomulka's rule, following the post-March purges. After 1976, an attack was directed at a critical part of the intelligentsia which supported the KOR [Social Self-Defense Committee] and the reform. And unfortunately, post-December anti-intelligentsia raids occurred here as the central thrust of many public addresses at the time. Such ideas as changing the entire intellectual elite were promoted, despite the fact that it had been changed after 1945 and the new elite likewise turned out to be critical. A favorable change then occurred, since people representing the need for change in this field as well finally began to play a role in the PZPR—from Minister Wilczek to Prof. Reykowski. I recall an interview with the latter in which he stated that the uneducated layers had dominated the PZPR for too long at the expense of the intelligentsia. Then, in Solidarity, through years of being brushed aside, Lech Walesa gained the equivalent of a university education. The electrician Walesa has become the intelligentsia member Walesa, moving beyond the interests of one class.

[PRZEGLĄD TYGODNIOWY] When the intelligentsia was most in need of your defense, the SD was not so courageous.

[Nowak] The attitude varied. Do not forget that Moc-zarski and the people of his ilk were in our party. But, of course, there were also people like Chajn, Wende and Ochab's brother, who was the government minister from the SD framework. They were sent from the outside and actually had identification cards from other parties. They said openly that we should move in the direction of making the SD a truly Marxist party. Keep in mind that, on the one hand, the SD performed the proper tasks, concentrating people from politically suspect milieus under some sort of supervision. On the other hand, it was a party of defenders of a political recidivism that was ideologically constantly in question. Until the end of the 1970's, the SD was bound to restrict its membership to 100,000 members.

[PRZEGLAD TYGODNIOWY] One does not have to go too far back to find such examples.

[Nowak] That is true. After December 1981, the martial law atmosphere had a very deleterious effect upon SD development. A large part of the activists newly elected to the Central Committee was unable to withstand the pressures exerted against the SD alone, to accept the policy of martial law in effect at the time. They could not work in the only possible direction of the time, which was to take realities into consideration and work to modernize this entire situation. The SD did not stand in firm defense of the communities that were under the sharpest attack at the time: the intelligentsia and trade—the "speculators getting rich."

Immediately following December 1981, there was a purge in the SD press. This purge was worse than any purge carried out in any other paper because it was the first one. As a result of verification in which various institutions outside the SD, such as the MSW [Ministry of Internal Affairs], took part, several dozen of the best journalists of the time were forced to leave.

Various types of sanctions were tried against the group of SD deputies that refused to support the dissolution of trade unions in the spring of 1982. Without a doubt, at that time the SD could have acted more boldly to salvage things. By its behavior, the intelligentsia was able to preserve many things, but this did not take place under SD auspices. The opportunity, which could have been costly and difficult at the time, but could have strengthened our party over the long term, was lost.

[PRZEGLAD TYGODNIOWY] Is it not true that without an honest accounting of the past it is difficult to build the future?

[Nowak] I believe that we must begin an honest discussion about martial law, about its implementation and causes. We have much more information today. On the one hand, we certainly cannot minimize the trials a large part of Polish society underwent as a result of the several years of martial law. We cannot forget the consequences of the brutal administrative sanctions, the arrests and the firings from work, the many severe wrongs that remain to be corrected. I think, however, that an assessment of

martial law would be incomplete if we did not compare it with the parallel processes of the "consolidation" of authority in Hungary after 1956 and in Czechoslovakia in 1968. From year to year, the evidence grows that proves that we were threatened by something in December 1981 that was much more dangerous, namely, armed Soviet intervention according to the prevailing Brezhnev doctrine. It is known that such intervention would have had to end with consequences for Poland that were even more severe than for Hungary or Czechoslovakia. Certainly, because of the national traits of the Poles, such intervention would have met with a much more decisive, much more protracted resistance, but it also would have had to lead to much greater bloodshed on the part of the Polish people.

The enormous costs of the various disruptions in the economy and the failure to take part in implementing a real, serious economic reform in the 1980's is another issue. The so-called economic reform of 1982 was doomed to fail from the beginning by virtue of its great incompleteness and inconsistency.

[PRZEGLAD TYGODNIOWY] Prognoses of the future always come out better than assessments of the past.

[Nowak] As regards the future, the SD proposes that we should not wait and we should recognize that our economic situation today is a disaster. We favor the appointment of a nonpartisan government of experts in the manner of the prewar government of national salvation of Stanislaw Grabski. People from the various parties could join it, but as individuals, as experts, not as representatives of groups. We must do what Churchill did in 1940, when, during the period of England's greatest danger from Hitler, Churchill likewise appointed Chamberlain, his major political opponent, to the government, because he believed that was indispensable under the circumstances of the time.

We should not look at political divisions now either. Unfortunately, in the past it happened too often that Great Poland could not get along with the Whites, not to speak of the Reds, nor could Pilsudski get along with Dmowski. In moments of danger, partisan interests should recede deep into the background.

Poznan-Area Registered Opposition Group States Goals, Direction

*26000650 Poznan WPROST in Polish
No 31, 30 Jul 89 pp 10, 11*

[Interview with Marek Jurek, president of the Greater Poland Political Club "Lad i Wolnosc" (Order and Freedom), and delegate to the 10th Sejm; and Marcin Libicki, vice president of the club, by Janusz Michalak and Eugeniusz Jarosik: "Race for the Cake"; first paragraph is WPROST introduction; date and place not given]

[Text] We invited Marek Jurek, president of the "Lad i Wolnosc" Club and delegate to the 10th Sejm term, and

Marcin Libicki, vice president of the club, both activists of the "Lad i Wolnosc" Greater Poland Political Club, the first of the opposition organizations to be registered in Greater Poland [Wielkopolska], to a discussion on the changes taking place in the Polish economy.

[WPROST] I understand you have a universal formula for healing the economy?

[Libicki] It is breaking away from socialism as quickly as possible and complete privatization. We support the Industrial Society in Karkow, headed by Miroslaw Dzielski, and the Economic Society in Warsaw under the leadership of Aleksander Paszynski. We also identify ourselves with some of Prof Kaleta's, Prof Kurowski's and Stefan Kawalec's views.

[WPROST] In one of his public statements, the aforementioned Aleksander Paszynski stated that, indeed, socialism has not proven itself in the production sphere. On the other hand, it has proven itself in the sphere of the distribution of goods.

[Libicki] No, socialism as an economic concept is unjust to working people. This was already foreseen by Pope Leo XIII in the encyclical: "Rerum Novarum," where he stated that the introduction of socialism will deprive workers of the possibility of spending their money as they deem fit and will, therefore, deprive them of the hope for a better life. Exactly several decades later, that is precisely what has happened.... First, the socialist state stripped the people of the right to spend their money according to their discretion and then, it brought things to a total economic disaster. The right of ownership is a natural right. As stated by the pope, this time Pius XI, and repeated by John XXIII in "Mater et Magistra": "The most fundamental natural right, the right of ownership, which does not allow an individual to be deprived of the fruits of his labor for the benefit of society, always remains in force."

[WPROST] The forms of ownership in the modern world no longer occur in as pure a form as they did in the 19th century. Are you not outdated in your call for privatization?

[Libicki] As complicated as these forms may be, a bona fide proprietor or joint stock company can always be found. And where there is a joint venture, there is also a stockholder. We are not interested in promoting the image of a fat capitalist with a cigar, although, undoubtedly this is an unfair image because it is the capitalists who have created the foundations for today's prosperity, but in promoting private ownership. But this has to be ownership and not "no one's property." When Mrs. Thatcher placed the gas mines below the North Sea under private ownership, 9 million investors bought stocks, thus, practically every second English family.

[Jurek] Ownership is man's right. Where there is no private ownership, there is no economic responsibility and the economy is run at the expense of the public. The

existence of ownership is also the basis for family self-reliance. An individual can take responsibility for raising his children only where he will be able to earn a living for his family in the most effective and efficient manner.

[WPROST] Are you perhaps not trying to state the obvious? After all, even government acts passed recently speak of the possibility of selling enterprise stocks.

[Jurek] At the same time, Minister Wilczek has stated publicly that there is neither the need nor the possibility of implementing the reprivatization of factories in Poland whereas General Jaruzelski states that "there will be no dismantling of the socialist economy."

[WPROST] It is not difficult to understand the justification behind these statements if we take into account that in Poland the private sector does not constitute even 10 percent of the economic potential. Therefore, how should reprivatization be carried out? In your opinion, should not the unprofitable enterprises be handled first?

[Libicki] No, because in the present malfunctioning mechanism, it is impossible to determine which screw or bolt is needed more than another. The state-run sector ought to be done away with consistently in proportion to the development of the private sector which will replace it gradually. The state-run sector must be eliminated not because it is profitable or not—because it is always less profitable than the private sector—but simply because it is state-run. In practice, it will probably be necessary to appoint some sort of superministry to carry out this task of elimination. As time goes on, new economic elite groups will form. Workers self-governments will be able to participate in them. A part of enterprise stocks should be sold to the workers of a given enterprise, naturally, with the right to resell and part should be sold outside the enterprise.

[WPROST] Economists claim that the value of national wealth is so high that people will not be able to afford to buy the shares.

[Jurek] According to the experts, it will take from 15 to 25 years to sell off two-thirds of our industry. Shares may be sold according to tried and true means elsewhere in the world. They may be sold in installments or for 75 to 80 percent of the price set earlier on the stock exchange. These will simply be lucrative capital investments, all the more profitable that they are not subject to inflation. I am convinced that if in fact such a possibility does come to be, people will take out loans, use money from relatives in the West or spend the money which they have made there.

[WPROST] From which sector of the economy should reprivatization in Poland begin?

[Libicki] From the reprivatization of all of retail trade. Shops could be turned over even now to all those who, of course, would want them. The same applies to department stores. However, in this instance the entire operation would, undoubtedly, take a little longer. I can assure

you that this would not cause any organizational problems. All of retail trade could be sold offhand in a matter of several or a dozen or so days. To some it would be sold for cash whereas to its employees, it would be sold on an installment basis or on government credit that would remain on paper only and would not be paid off until later, etc. As a result of conducting such an operation alone, the state would stand to gain very large revenues.

[WPROST] Since this is so simple and obviously of benefit to everyone, why then is reprivatization not being implemented on a general scale in our country?

[Libicki] Unfortunately, this is being discussed but no political power of importance in Poland has recognized this as its program. We realize that the government does not proclaim this because it is in its interest to preserve the present economic system. However, we regret that the concept of reprivatization is not the program of all of the Solidarity opposition. The possibility of reprivatization is, to be sure, talked about but as one of many possibilities.

[WPROST] How do you, therefore, evaluate the existing economic programs?

[Libicki] In Poland, instead of a cohesive and consistent program, slogans-appeals are the rule. One of them is, for example, the appeal for the "elimination of the remains of Stalinism in the economy." The implied meaning being that socialism is good but that only its "deviations" are wrong. Another appeal is for the opposition to eliminate the so-called *nomenklatura* [officialdom] as if though the removal of party directors and their replacement with nonparty people could improve anything. Another frequently used slogan is the "equality of sectors." The meaning here is totally perplexing because according to it, it would either be necessary to immediately withdraw subsidies for the state sector, which would mean a total economic disaster, or it would be necessary to expand subsidizing to the private sector which would constitute a rather interesting aberration of the system....

[Jurek] For me, the most irritating is the use of the concept of "market socialism." We forget that "something like this" has already existed in Hungary and Yugoslavia as well. If a so-called market economy is introduced, which is to be controlled by the normal laws of supply and demand as well as competition and there is no shareholder that stands behind all this, then this ends as it did in Yugoslavia.... It seems that in our country as well, the authorities want to change the economic system while at the same time not allowing the social consequences of these changes: enfranchisement of society, the pauperization of certain groups and the accumulation of wealth by others. As a result, we are dealing solely with the deconcentration of state ownership. However, all of this creates neither economic responsibility nor does it

give the average citizen the chance to own property. Consequently, we continue to have to deal with compensation-oriented attitudes.

[WPROST] Is it possible for substantial property-ownership changes to take place within the framework of the current political system?

[Libicki] We feel that this should come about. The government is responsible for carrying out the kind of economic policy that is the most beneficial to the country. As we have already stated, the most regrettable thing is that the opposition, which currently has such great possibilities of exerting pressure, is not demanding a program of reprivatization. I feel that this is to be attributed to the 40 years of Communist indoctrination. Even Lech Walesa stated at a press conference, "I am not for capitalism," while at the same time criticizing socialist economic relations. This speaks of his skepticism not only concerning capitalism but private enterprise in general. It is very unfortunate for all of us that such a great authority figure does not declare himself unequivocally in favor of a program that could heal the Polish economy.

[WPROST] Are you convinced that the workers would embrace reprivatization without any reservations? Various studies in this sphere indicate that the workers community is negatively disposed toward the reactivation of capitalism.

[Libicki] People were made to believe for 40 years that under socialism cake would be evenly divided, whereas under capitalism, bread would be unequally divided. Now it has turned out that cake is nonideally divided up under capitalism whereas under socialism, there is even a shortage of bread....

[WPROST] Is it possible to state unequivocally that you are for the introduction of capitalism in Poland?

[Jurek] I am for a system of free enterprise and private ownership which we recognize as the natural right of every person. At the same time, we accept any and all restrictions on this system such as the existence of independent trade unions, the right to strike, etc., resulting from the stipulations of Catholic ethics.

[Libicki] We are not concerned about the name because we would not want to make it into a kind of religion as was done by the socialists and communists in the case of their economic doctrine. However, if we are to speak of capitalism at all, then we should not forget that from a historical point of view, this has been a system that has passed the test with flying colors. For example, in Hungary between 1867 and 1877, 2 km of railroad line were being built daily for 10 years whereas in our country in current times, it took 14 years to build a section of expressway (34 km) near Wrzesnia and ending like a veritable national celebration with the handing out of several dozen honors and distinctions.

Church Issues Pastoral Letter on Environment

26000603 Warsaw PRZEGLAD KATOLICKI in Polish
No 25, 18 Jun 89 p 8

[Text] In the introduction to a letter read in all churches in Poland on Sunday, 11 June, the bishops state: "The greater and greater danger sensed today resulting from the devastation of the environment in which man lives is arousing general alarm. The Church is always mindful of human affairs; what is more, it desires to be at their center. Man's alarm is the Church's alarm. It is this that inclines us today to take up the complex and difficult problem of the ecology."

The Polish bishops characterize the situation by calling to mind the following: "According to the official data, 27 regions of Poland are recognized to be ecologically endangered. This is an area that encompasses 35,200 sq km, inhabited by 12.9 million people, or 1/3 of the nation. To name several of these: Legnica-Glogow, Belchatow, Gdansk, Krakow and Tarnobrzeg. It should be emphasized that the worst situation exists in the Upper Silesian Industrial District, where 8.1 percent of the people who are imperiled by the noxious fumes of the industry concentrated there, live on a small area that represents less than 1 percent of the surface area of Poland. The inhabitants of this region, especially the children, take sick more often and die earlier. The rapid growth of coal mining means that entire cities are sinking. There is no similar situation anywhere else in the world. We should add that the deplorable situation in Silesia affects the entire country."

"The poor state of the environment in Poland is caused by the pollution of the air, water and soil. As a result of this, the forests are perishing and the national parks are dying. Many health resorts are losing their identity as cure centers. We are losing the Baltic coast and the lakeside areas as recreational and rest areas. National cultural monuments are decaying, with old Krakow at the fore. The landscape is becoming littered with haphazard building projects. The amount of food production in large part does not satisfy the quality requirement. The water shortage is being felt more and more severely."

"These are only a few of the dangers that threaten man in his basic right to live in a healthy environment."

Pointing to the causes of the ecological threat, the bishops write in their pastoral letter: "Economic activities, often inspired by political or ideological motives, have caused the economic model of Poland to be maladjusted to the natural conditions of our country. The construction of gigantic industrial centers without careful planning has placed a burden on the environment that it is unable to handle. Production at any price has become the supreme slogan. And even if the motives behind activities are noble, people are led astray by the line of reasoning that ignores the truth that warns that negative consequences outweigh the good that was intended when the environment is overly burdened."

Imposed economic and social structures that cripple social activism have rendered society incapable of taking effective action even to save the endangered environment. Meanwhile, the irrational exploitation of our natural resources and the wasteful management of these resources seems in general not to take into account the needs of future generations."

The Polish bishops stress that responsibility for the state of the environment rests upon all of society and all organs of authority, and that the degree of responsibility corresponds to the scope of the possibility for acting of the given authority, social group or individuals. Likewise the Church assumes this responsibility, fulfilling the mission of announcing moral principles and forming consciences.

"The alarming ecological situation inclines us to make a national examination of conscience and to take stock of our lives," we read on. "Only the recognition of evil and the admission of guilt can initiate the appropriate actions. We face the need to change our ecological way of thinking and acting, 'a change of conscience,' as the Holy Father stated, to be more in solidarity with man and nature. Such an interior change can lay the foundation for the decrees that are inevitable in order to improve the ecological situation."

"Every country has its own set of ecological determinants, its own historical experiences on the road of development. The direction of economic development that Poland has selected is not in harmony with natural conditions. Thus, we must call for the proper directions of development. This requires changing the industrial variant of Poland's development and abandoning the further expansion of heavy industry. This industry is the most energy-intensive, uses up tremendous amounts of natural resources and causes the greatest harm to the environment. We must bring existing industry to a state of secure and economical utilization by all possible measures, even extraordinary ones. If this cannot be done, we must eliminate it consistently."

At the conclusion of the pastoral letter, the bishops write: "We share with you, dear brothers and sisters, the fears that have been engendered by the deplorable ecological situation. We appeal to all those responsible for the state of the environment to make decisions, in the name of the common good, which will halt the avalanche of degradation and will initiate the process of rebuilding. But we all can make efforts within the framework of so-called small-scale ecology. It is up to us how we leave recreation areas or whether campaigns will be needed to pick up trash in the mountains and forests. Train your children from the earliest years to respect nature, teach them to discover the beauty that God placed in it. Care for the greenery surrounding your homes and apartments, protect everything that is green against destructive vandals. Poland cannot be one great big trash can. There is much that is beautiful in it to be seen and preserved."

ROMANIA

Roles of Party, State Reaffirmed

27000076a Bucharest ERA SOCIALISTA in Romanian
No 11, 10 Jun 89 pp 9-12

[Article by Univ Lecturer Dr S. Andrei, Cluj-Napoca University: "The Party and State in the Political System of Our Socialist Society"]

[Text] The value and significance of the principles formulated by Comrade Nicolae Ceausescu in his speech in November 1988 and in his speech at the Plenum of the RCP [Romanian Communist Party] Central Committee of 12-14 April 1989 are noteworthy both in their entirety as a uniform and harmonized system of theoretical and political ideas, conclusions, and policies concerning the ways and means of further developing and improving our socialist society, and for the many profound implications of each principle in itself. These principles are also basic components of the views of the RCP and its secretary general about socialist and communist construction, enriching the RCP Program for Building the Fully Developed Socialist Society and for the Advance Toward Communism, the RCP Ideological Program, and the guidelines set by the 13th RCP Congress and the National Party Conference in December 1987.

Nicolae Ceausescu's works lend the idea of improvement of the quality and status of a new strategic concept with a content, direction, and purpose peculiar to the specifically determined type of all-around development of socialism. From this viewpoint, the strategy for improving our socialist society takes the form of an integral component of each of the main processes of the present stage, namely the achievement of a new quality of work and life, the transition from extensive to intensive in the activities in industry, agricultural and all sectors, the extensive deployment of the new technical-scientific revolution and the new agrarian revolution, development of workers revolutionary democracy, intensive promotion of the revolutionary spirit in people's way of thinking and acting, and so on. All these processes, wherein improvements are asserted as the basis of creativity, determine in their unity and interaction the content of the whole dialectics of socioeconomic development through the original concept of the continuity of the revolutionary process.

While they are integrated as elements of the same nature in the contents of all the processes of Romania's development, the improvements are also concentrated reflections of the purposeful character of the social action performed by the individual, the workers collective, the social classes or categories, the people as a whole, and by the bodies of society from the local to the national ones.

Placed in such a context, the dialectical party-state relationship is essential in many respects, controlling for the overall evolution of society and of our entire economic, political and ideological system. As we know, the questions of this relationship in socialism have been

giving rise to many controversies, the sources of which are partly objective, stemming from the diversity of specific-historical and national conditions and the characteristics of socialist construction and revolution, and partly subjective, reflecting the theoretical and ideological positions from which the aims and ways of improving socialist society in one country or another have been and are worked out. It is to the unquestionable merit of our party and its secretary general, Comrade Nicolae Ceausescu, to have devised a profoundly scientific and original theory in this field that is viable, as demonstrated by historical experience, because it is based upon an understanding of the necessity of creative application of the laws and principles of socialism to revolutionary practice in Romania.

Romanian political views and experience in connection with the role and functions of the party and state in socialism have benefited, through Comrade Nicolae Ceausescu's direct contribution, from the fundamental theoretical and practical reappraisals in the period following the Ninth Party Congress, which reappraisals originated in the requirement for creativity, revolutionary boldness, and scientific integrity in eliminating all that retards progress, and also in the necessity of ensuring the stability and consolidation of the gains made and the values formed in this process through consistent application of the fundamental principles of the revolutionary theory. In this context the party and state became the basic structures of a new political system that is original, unique of its kind and profoundly democratic, the role and functions of which have lent the whole dialectics of our society a uniform direction and aim purposefully oriented toward construction of the fully developed socialist society and the eventual transition to communism.

Designed for uniform regulation and guidance of the many aspects of social development, the present Romanian political system is based upon the interaction of a series of subsystemic bodies, namely the party, the state, the twofold (party and state) bodies, the workers self-management bodies, and all the mass and public organizations included in the Socialist Democracy and Unity Front. The uniform, systemically integrated character of this series of sociopolitical institutions stems from their functional interdependence within the specifically determined division of the sociopolitical roles and functions of each one of them. The existence and activity of all these components of the political system are based on uniform and democratic operating principles and standards. In its structure and functions, our political system is actually identified with the system of workers revolutionary socialist democracy, in and through which all citizens without discrimination are guaranteed participation, direct and through representatives, in the exercise of power, in the activity of social organization and management, in control over that activity, in workers self-management and self-administration, and in the exercise of a wide range of basic rights and freedoms. Accordingly, the political relationship of participation in

management becomes the basic relationship of our whole political system. As Comrade Nicolae Ceausescu said in his speech in November 1988, "It has been and is our opinion that extensive development of the democratic forms of management and participation of all social classes and categories and of the entire people in management of all sectors of activity and in making domestic and foreign policy are factors vital to the successful construction of the new social order."¹ Because of this content, mass participation in social management brings out in its most complete sense our party's view that socialism is built with the people and for the people, which also reflects the fact that such a democracy and such a political system are not only for the people but also of the people, that is a democracy and accordingly a political system that belong to the people themselves.

The Romanian political system as a whole, as well as the subsystems that compose it, perform a series of particular activities of their own to organize and manage certain fields or aspects of social activity, while on the other hand they provide by specifically determined ways and means for mass participation in the activities of the party, the state, and the new democratic bodies. As Comrade Nicolae Ceausescu said, "In the socialist division of labor, and also in socialist democracy, there are responsibilities and objectives for the various sectors of activity. We have the government, we have the democratic bodies, and we have collective managements in all the socioeconomic sectors,"² each of which performs well-defined functions in the political system as a whole. Hence also the special attention that our party and its secretary general pay both to relations between the political system and its bodies and between it and the masses, and to relations among the bodies of that system, that is those between the party and the state, the party and the mass and public organizations, the party and the twofold bodies, the party and the self-management bodies, those of the state and the self-management bodies, the state and the mass and public organizations, and so on. From this viewpoint, the party-state relationship is seen as a systemically integrated one, the content of which is determined by the nature of the functions and roles performed by each of the components of the said relationship individually and those of the operational connections among those functions and roles in the overall performance of the system.

The nature of party activity lies primarily in implementation of the general political management of the whole political system. The party operates as the body with the ability for and capacity of systemic regulation and self-regulation, its role and place being accordingly defined as the vital center of the nation and of the entire system. In that capacity the party's functions are to formulate the general strategy for social development and see that it is carried out through its direct involvement, to conduct the activity of organization, mobilization, and education of the masses, to form and develop their socialist awareness, to exercise control and political guidance of the

activities of all bodies of the political system, to encourage initiatives, the new and improvements, to note contradictions and determine the ways of resolving them, and so on. The nature of the party's managerial activity accordingly lies in its essentially political and profoundly democratic content, being based on the science of management. The democratism of party management stems from the democratic nature of its social structure and composition, from the democratic principles on which the party's organization and internal activity are based, from the forms and methods of making and implementing its domestic and foreign policies, and from its approach.

As a mass revolutionary party of the working class and of the entire people, our party has the capacity and the ability to reflect the entire nation's interests and aspirations by acting not only on behalf of the people but also together with and for the people and by performing its role as a vital, purposeful factor for synthesis and creativity, for initiative and action, and for the preparation and direct implementation of its own program.

The Party as the Vital Center of the Nation and the Whole Political System

The nature of the party's activity as part of the political system in general and in its direct relationship with the state in particular also follows from its distinctive characteristic as the single party of the working class and of the other categories of workers. The experience acquired in the course of the leadership exercised by the single party as the leading political force of socialist construction and revolution brings out one of the original aspects of our political system and of workers revolutionary democracy. As contrasted with the traditional pluralistic systems based on party pluralism and adversary relations and on antagonisms, rivalry or competition in the struggle for power, reflecting conflicting class or other interests, the relationship of participation and our political system based on that relationship—which is the basic principle of the system itself—prove to be qualitatively superior. Accordingly the Romanian political system does not provide tactical alliances or temporary agreement between more or less rigid political forces, but primarily a unity of the long-term interests and action of all social classes and categories and of the entire people, which does not nullify or detract in the least from the social groups' or categories' own particular interests but makes their advancement and fulfillment possible.

In other words the existence of the single party in our political system, based on the principle of direct participation, does not mean "monopolizing" the leadership relation or nullifying the plurality of the social forces, but concentrating the various ways and means of their existence and activities in the single direction of general progress. The composite institutional structure of our political system and the many categories and forms of the bodies and organizations that compose it actually reflect an original and unprecedented kind of pluralism and democratism. As Comrade Nicolae Ceausescu says,

in a really democratic political system "The essential thing is not whether there will be five, seven or three parties, because there can be a single party with a very good democracy and five parties with no real democracy... Accordingly I could say that pluralism in Romania consists of a number of aspects that are much better than those in countries with several parties."³ This pluralism, structurally composed of a comprehensive and diversified series of institutions, organizations and bodies, operates on the principle of unity in diversity and not on that of diversity in adversity.

Of course the advantages of our political system, based on the single party, come from the quality of the party itself, which includes and fully and effectively represents (but short of losing the characteristics peculiar to the revolutionary party of the working class) the most politically and ideologically advanced, aware and resolute parts of all the other classes and categories of workers. [This stems] from its ability to faithfully reflect their interests and aspirations and those of the entire people and to assert itself in practice as the most advanced political force of society, and from the viability of its policy, which has been fully confirmed by experience and by our people's great achievements under its leadership in the years of socialism (especially since the Ninth Party Congress) in the undertaking of building, developing and improving the new order. Romania's experience bears out the truth that only where and when the Communist Party gains and keeps the confidence of all the social classes and categories in the correctness of its program and in the superiority of the socialist principles, and when it is structured and operates as an open democratic organization economically integrated in society and as part of the working class and the people as the leading political force in all social activities, competently and efficiently crafting its plans, measures and decisions in the developmental process, only then will the political system based on the single party fully reveal its viability and superiority.

Ideas, opinions, and plans that detract in any way from the role and functions of the Communist Party as the leading political force in the whole socialist political system, either by restricting or limiting that role in favor of other bodies or by "rediscovering" and "adapting" party pluralism of western inspiration to the conditions of the new social orders, conflict with the fundamental principles of socialism. As Comrade Nicolae Ceausescu said in his speech in November 1988, "The idea of reducing or limiting party leadership is all wrong, harmful, and in fact destructive, and it will ultimately lead and can only lead to weakening the party and jeopardizing socialist construction itself."⁴

Meanwhile determination of the dialectics of the party-state relationship makes it necessary to point out some characteristics of the institutionalized subsystem of the state. As the basic structure of the political system and of workers revolutionary democracy the state conducts, through its mechanism of power and administration and

through its internal and external functions, a far-reaching activity of managing the socioeconomic, cultural and legal processes as well as a legislative and executive activity, all of which are characterized by their investment with the authority of power. The democratic nature of our socialist state and its activity is due partly to the fact that it represents and exercises the power of the entire people and partly to the way the supreme and local organs are constituted and the democratic principles on which they are organized and operate, and to their close collaboration with the workers self-management bodies and the mass and public organizations in the performance of state functions.

Dialectical Correlation of Party Work With State Organs and New Democratic Bodies

As the supreme representative of the power of the workers and the entire people, the workers revolutionary democratic state develops and protects, together with and for the people, the entire national wealth and socialist ownership. It manages, organizes and regulates all socioeconomic activity, relations among citizens, and those between the state and the citizens, and it determines and guarantees the citizens' basic rights and freedoms as well as their civic duties and obligations.

The state's main activity is concentrated and directed toward implementation of the objectives of the RCP Program and the plans and programs for socioeconomic development. To that end, the state performs a number of particular functions whereby all socioeconomic and cultural-educational activities are uniformly organized and managed, as well as those for defending and guaranteeing order, the socialist system, legality, and civil rights and freedoms, and whereby the foreign policy is promoted and national sovereignty and independence are defended. The content of the state functions and the ways and means of performing them are subject to an evolution corresponding to that of the field to which they pertain. Accordingly, within any given period some state functions or others may become priority ones, just as some activities within the same function may become more extensive or important.

In the present stage of Romania's development the quality and effectiveness of the function of uniform organization, management and planning of all socioeconomic activity on the basis of the Unified National Plan are becoming highly important from this viewpoint. It makes it possible to fully exploit the advantages of public ownership, of the socialist economic system, and of the fundamental principles of socialism and to guarantee the nation's complete economic and political independence. Therefore in rejecting any ideas or tendencies to repudiate or impair this particular function peculiar to the socialist state, our party stresses the requirement "not to detract in any way from uniform management of socioeconomic activity on the basis of the Unified National Plan, which must combine the interests of each workers collective and of each unit with the general interests of society and of the entire people."⁵

In this conception and practice, uniform management on the basis of the Unified National Plan and the development of workers self-management and self-administration are not processes that exclude each other or are implemented one at the expense of the other. Similarly, the close correlation of the state's activity with that of the new democratic bodies does not conflict with the party's political responsibilities in the performance of its particular role and functions for implementing the plans and programs for socioeconomic development. Both forms of managerial activity (those of the party and the state, which are closely connected with direct management through the workers self-management bodies and through worker participation in the party and state organs' activities) are uniform and democratic in form and content and in purpose and principles, but they differ in the nature of their powers and in the extent or complexity of the problems, aims and tasks that they involve, and in the methods and the particular operating mechanism of each body. They are therefore not parallel, overlapping or supplementary, but connected and interdependent and objectively necessary for the organization and management of social activity in its whole deployment and development. It is accordingly clear that party leadership does not replace or detract from the state organs' activity and functions, just as the implementation of the role and responsibilities of the workers self-management and state organs is not in conflict or in any way incompatible with the development and consolidation of the party's particular role and functions.

Functioning as the main purposeful element in the political system, the party ensures the efficiency of all the bodies in the system as such by initiating and implementing continuing improvements in their democratic activities and in those of the political system as a whole through the ways and means of the party's political work. Meanwhile the strategy for improvement that the party promotes does not apply to the other social bodies alone, but also to its own activity, organizational structure, and approach and to improvement of the quality and competence of its members and its personnel and their professional and political-ideological training.

Concerning the dialectics of the party-state relationship, it is also important to remember that the party does not exercise its political leadership as a commanding body issuing directives and overlapping the state or detached from it—from society and from the other bodies in the system—but from within them and society, so that party leadership is not only closely integrated in the substance of the activity of every one of the components of the political system but also integrates and unifies their activities.

This original and creative view and practice, promoted since the Ninth Party Congress, have fully proved their viability, correctness, effectiveness and ability to keep assimilating the new, to improve themselves, and to develop the increasingly complex evolution of society

and social activity accordingly. "Correct, dialectical correlation of the party's role with the growing responsibilities and roles of the state organs, the democratic bodies and the masses is the controlling factor for consolidation of the entire people's unity and power to act and for the party's fulfillment of its historic mission as a political leader, a vital force, and the vital center of the entire nation."⁶ Accordingly the dialectics of the party-state relationship reflect the qualitative growth of the roles and functions performed by those vital bodies of our political system, a growth objectively determined, among other things, by the extent and complexity of the undertaking of construction of the fully developed socialist society and the advance toward communism.

In the view of the RCP and Comrade Nicolae Ceausescu, the dialectics of the party and state and the interdependent development of the roles and functions of those bodies of socialist society are not for the present stage alone. They are also planned, in the light of the principles of scientific socialism, for the foreseeable future.

In this connection it is well known that the traditional Marxist principles were confined in a hidebound way of thinking wherein the dialectics were asserted as a theoretical principle but were strongly characterized by dogmatic restrictions and vulgarizing oversimplification. This also applied to the conception of the state and the socialist state in particular. The traditional theoretical assertion that the state appeared under historically determined conditions, along with the appearance of the social classes and the class struggle, and will disappear along with the causes that brought it into being was an essentially logical and scientific theory, valid in terms of historical dialectics, and it appeared satisfactory and seemed to cover, through its mere repetition, the whole content of the questions of the role and prospects of the state.

Progress in socialist construction and practical experience required revision of this theory, a process that was initiated in Romania by the Ninth Party Congress. Accordingly, Comrade Nicolae Ceausescu, the party secretary general, pointed out the fact that "In matters of the state's evolution it sometimes appears as if the laws of dialectics are not operating in this field, and the state is presented either as something immutable, as if we were not in the first stage of the socialist revolution even today, or the idea of the disappearance of the state and the reduction of its role is exaggerated. Both positions are wrong, overlooking the constantly changing domestic and foreign sociopolitical situations."⁷

In light of the 20 years that have passed since that opinion was formulated, it can be said that it has proved quite correct. In speaking of the dialectics of the evolution of the state and its prospects, Comrade Nicolae Ceausescu said in his speech in November 1988 that "The state appeared in a certain period of society's development, along with the appearance of the classes, and it will diminish its role and disappear gradually, along with the disappearance of the classes."⁸ With this

general principle of historical and dialectical-materialism as its theoretical-methodological premise, our party believes that the state is maintaining its role in socialist society and will still maintain it for a long time, probably even in the first part of communist society, and that its role will be improved along with socioeconomic development and general social progress. Comrade Nicolae Ceausescu also pointed out the fact that the process of the state's disappearance (clearly a long-term process subject to the laws of dialectics, each country's sociohistorical conditions, and the objective factors of social development) unquestionably depends upon further expansion and diversification of the forms of direct worker participation in management, of the activities of the new democratic bodies, and of workers self-management. As the party secretary general says, ever closer cooperation between the traditional state organs and the new democratic bodies "is, moreover, the way to the people's more and more extensive participation in management of all activities, to gradual reduction of the state's role, and to more intensive growth of the roles of the workers-revolutionary bodies and the people in purposeful construction of their own free and independent future and of communism!"⁹

Role and Functions of the Workers-Revolutionary Democratic State

In our party's view, formulated by its secretary general after the Ninth Party Congress, the state is an objectively necessary instrument for organizing and managing the process of building the new society. That view is based on understanding of the changes made in the content of the socialist state's functions since the abolition of the exploiting classes, when constructive state activities prevailed over the repressive, coercive ones, a dialectical trend already noted by Engels when he said that in its evolution the new socialist state would be gradually transformed from a body for governing people to an instrument for administering the processes. Of course the simplistic view of the socialist state as an instrument of class domination or dictatorship and that of its disappearance along with the classes and the class struggle have contributed to the view inspired by the absolutist interpretation of class determinism, which reduced the whole history of mankind to the history of the class struggles.

Freed of such limitations, our party's view of the state opens up prospects of resolving the apparent contradiction between "the disappearance of the state" and the necessity of performance of its role as an instrument of socialist and communist construction. The theory of the state's disappearance is quite valid for the historical presocialist kinds of states that were replaced in the process of abolishing the social systems based on private ownership and antagonistic classes. Inasmuch as the new kind of state, the socialist one, has performed and will necessarily but temporarily perform the functions characteristic of class "domination" or "dictatorship" and abolition of the oppressing classes, that aspect of the content of state power has been and will be subject in its

turn to the process of disappearance in the proper sense of the term. But that process cannot be identified with the disappearance of the state itself, whose chief role is socialist and communist construction. Therefore the dialectical principle of the necessity of intensive development of the state's constructive role and functions, formulated by Comrade Nicolae Ceausescu, the secretary general of our party, applies to the new content and the new functions of the mechanism of socialist power, the improvement and qualitative development of which are objectively determined by the increasing extent and complexity of the processes of socialist construction and by the contradictory evolution of international affairs.

In summing up the dialectics of our state in contemplation of communism, the RCP Program points out that "The state, in the sense of an instrument for one class to dominate another, will cease to exist as it is transformed more and more to a body for organizing and managing all socioeconomic activity. Accordingly instead of the state there will be bodies of society with the mission of organizing, managing, and planning production and all social activity and of securing distribution according to the principles of communism."¹⁰ This long-range view assumes in a logical and objectively necessary way that the process of improving the state will take two directions, that of integrating it more and more closely and efficiently in society and that of raising the level of the entire people's democratic participation in state activity, in management, and in solving all social problems. Just such a direction of the evolution of the state and of the whole political system is specified in our party's documents and in Comrade Nicolae Ceausescu's works.

In the light of these principles and guidelines of outstanding theoretical and practical importance, which have proved entirely correct, it is objectively necessary to further improve the state's role and functions and to diversify and expand the ways and means of coordinating its activity closely with that of the bodies of direct workers-revolutionary democracy, while strengthening the role of the Communist Party as the leading political force in all society. Those are decisive factors for socialist Romania's all-around progress.

Footnotes

1. Nicolae Ceausescu, "Speech at the Joint Session of the Plenum of the RCP Central Committee, the Democratic Bodies, and the Mass and Public Organizations, 28 November 1988," Political Publishing House [PPH], Bucharest, 1988, p. 65.
2. Idem, "Romania on the Path of Building the Fully Developed Socialist Society," Vol 30, PPH, Bucharest, 1988, p. 317.
3. Ibid., Vol 12, Bucharest, 1976, p. 128.
4. Idem, "Speech at the Joint Session of the Plenum of the RCP Central Committee, the Democratic Bodies, and the Mass and Public Organizations, 28 November 1988," PPH, Bucharest, 1988, p. 86.

5. Idem, "Report to the 13th RCP Congress, 19 November 1984," PPH, Bucharest, 1984, pp 42-43.
6. Idem, "Speech at the Joint Session of the Plenum of the RCP Central Committee, the Democratic Bodies, and the Mass and Public Organizations, 28 November 1988," PPH, Bucharest, 1988, p 82.
7. Idem, "Report to the 10th RCP Congress," in "Romania on the Path of Building the Fully Developed Socialist Society," Vol 4, PPH, Bucharest, 1970, pp 296-297.
8. Idem, "Speech at the Joint Session of the Plenum of the RCP Central Committee, the Democratic Bodies, and the Mass and Public Organizations, 28 November 1988," PPH, Bucharest, 1988, p 65.
9. Idem, "Speech at the Plenum of the RCP Central Committee, 12-14 April 1989," PPH, Bucharest, 1989, p 28.
10. *** "RCP Program for Building the Fully Developed Socialist Society and for Romania's Advance Toward Communism," PPH, Bucharest, 1975, pp 171-172.

Dialectics of Relationship Between General, Particular in Socialism

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[Article by Nicolae Kallos: "Dialectics of the Relationship Between the General and Particular in the Construction and Improvement of Socialism"]

[Text] In their profoundly creative theoretical and practical activity the party and its secretary general have been paying quite particular attention to an interpretation, in depth and also in detail, of the relationships between the general and particular and the forms they take in socialist construction and revolution. Correct treatment and proper determination of these relationships have been proving to be of vital importance to the future of the new society. The dialectics of the relationship between the general and particular are treated at length and in depth in the party's program documents and in Comrade Nicolae Ceausescu's theoretical works, and they have been analyzed during the last 25 years from various viewpoints and in various contexts. In a summarizing formulation, our party's secretary general brought out the essence of this relationship as follows: "It is well known that we have always proceeded and proceed from the revolutionary view that socialism, like any system for that matter, has its objective laws and is continually improved according to its stage of development. We have proceeded from the revolutionary view that socialism is achieved differently from one country to another in one stage of social development or another, and that the principles and objective laws of scientific socialism are applied differently by each party to the specific conditions and situations in the respective country."

While taking a stand both against dogmatism and stereotyping and against voluntarism and subjectivism, our party has developed and improved, in a regular way since the Ninth Party Congress, a coherent scientific view of the contemporary dialectics of social development in general and of socialist construction in particular. Generalized experience with socialist construction in Romanian and global evolution have thrown a new light on a number of relationships in social evolution, namely those between the spontaneous and the purposeful, the objective and the subjective, and necessity and freedom. Meanwhile a new and original view of the contradictions in socialist society and how to resolve them was formed, and the continuity of social movement, change and development and the resulting continuity of the revolutionary process were and are emphasized in conformity with the nature of materialist dialectics.

Adopting a policy in full accord with Romania's interests in the years since the Ninth Party Congress, the party has consistently as well as creatively applied the revolutionary principles of scientific socialism to the specific Romanian conditions, because it is only on that basis that the victory of the new order can be really assured and a society of social justice and equity without exploiters can be achieved. The successes won by our people in the last 24 years emphatically indicate the correctness of that policy. In speaking of the realities of socialism and the transforming power of the socialist principles of organization of socioeconomic activity, Comrade Nicolae Ceausescu said in his speech at the great people's assembly in Dobreta-Turnu Severin municipality that "Romania demonstrates by all that it has achieved that there can be no way back and that no problem whatever can arise of 'privatizing' our marvelous industrial, agricultural and social constructions, to use an expression that has become fashionable today and that actually means reverting to capitalism. For Romania, capitalism is gone forever: There is only one course, which is forward on the Communist Party's revolutionary way to socialism and communism!"

The dialectics of the general and particular are only in the realm of abstractions unless they are closely connected with the dialectics of the specific, and all assertions about the relationships between the general and particular lose their basis and their meaning unless they gravitate around the specific. As Comrade Nicolae Ceausescu has said repeatedly, the superiority of socialism cannot be affirmed by general statements of principle alone but primarily by the way the economic problems are solved, as well as those concerning people's living and working conditions and other social problems, including those in connection with development of socialist democracy and improvement of socialist management. The party secretary general said, "We must operate so as to demonstrate in practice, by actions and realities and by definite accomplishments, the superiority of socialist organization of society."

Of course the conclusions that due attention must always be paid to both the general and particular, since detracting from the role and importance of either one of them has bad effects, are not to be taken in the sense of "equalizing" or "balancing" them. The relationships between the general and the particular cannot be prescribed in "doses" or percentages because those ratios always exist and take effect in the socially specific or in the specifically social. It is not the particular or general that "suffers" from overrating or underrating the role and importance of the general or particular, but always the specific.

When the specific in which the relationships between the general and particular must be discovered is a social system or any of its subsystems in a determined context, and when it is a matter of specifically affirming the dialectics of the general and particular in directing, managing, and organizing the revolutionary process of building and improving the new social order, there is need of science, creativity and theoretical consistency as well as malleability. It is more true here than in any other field that determining the relationships between the general and particular is not like a simple arithmetical operation and that this science and skill (to use a well-known metaphor about politics) is more like algebra than arithmetic, more like higher than elementary mathematics.

The main problem in determining and affirming the dialectics of the general and particular in the practical-specific process of socialist revolution and construction is correct determination of what is actually general or particular. Some experience in the devious history of socialism attests that whenever the requirements of correct affirmation and promotion of the dialectical relationship between the general and particular in the specific revolutionary process were or are violated, it was or is really a matter of misinterpretation of the general and/or particular. Comrade Nicolae Ceausescu requests us not to equate the socialist principles and ideas in any way or under any circumstances with the errors or abuses committed during socialist construction in any country in any period. They were due to the fact that the people who assumed the responsibility of implementing the principles of socialism "did not always understand the objective laws and did not apply them properly."

Disregarding or exalting either the general or the particular is equally wrong and harmful and does equally serious damage to the cause of socialism. In many situations the errors were caused by a distorted view of the general and attaching critical importance to some laws and principles that later proved not to be objective laws or correct principles or really generally valid truths. Accordingly we think the conclusions formulated by Nicolae Ceausescu is highly significant, to the effect that the dialectical unity between the general and particular calls for a revolutionary approach to the problems of building the new social order, since the general laws themselves are not immutable or eternal but change and

acquire new characteristics as they reflect the development of the productive forces and of the new social relations, while others disappear entirely. As our party's secretary general said in his speech at the Plenum of the RCP [Romanian Communist Party] Central Committee in April 1989, "We must stress the fact very emphatically that the principles and general laws of socialism are continually improved according to new achievements and new knowledge, that the forms of socialist construction are not laid down once and for all, that there are no stereotypes or models, and that each people and each party must determine their ways of achieving socialism according to their specific socioeconomic conditions and according to the new stage of human society's development."

Even if we overlooked the various distortions due to dogmatism, stereotyping and hegemony of any kind, there is a situation that I would call ontological [ontical] that greatly encumbers and complicates the operation of discerning the general in socialist construction and revolution. This ontological situation is characterized partly by the fact that as we well know, the social laws in general and the laws of historical development of a social structure in particular are trend-laws that take effect as Marx said through a multitude of "happenings" and cannot be detected until there is a sufficiently large number of these "happenings" and accordingly take a long time to discover, and partly by the fact that socialism is still a young society from the historical point of view.

It is a well-known fact that Marx and Engels, the founders of scientific socialism, in their capacity as revolutionary savants refrained from making many detailed predictions about the developmental laws and the characteristics of a social structure, namely communism, that did not yet exist in their time. They confined themselves to pointing out some general historical trends following from analysis of the developmental laws of human society that they discovered and especially those of capitalist society, and to making some predictions, based on extrapolation of certain already known situations, concerning the necessity and consequences of implementing some socialist and communist principles and ideals. However cautiously those predictions were formulated, some of them proved to be amendable in the light of subsequent historical experience such as, for example, Engels' assertions about the disappearance of the state right after the proletarian revolution was won. Of course the main conclusions of the Marxist theory, the principles of scientific socialism, were and are fully confirmed in the process of mankind's historical development, and their viability is demonstrated primarily by the increasingly powerful affirmation of socialism and by its transformation into a vast force of contemporary social development.

Lenin was the first one who tried to single out its general laws from an accomplished socialist revolution, that is from a real social experience, and he drew a number of important conclusions about it. In stating the profound and often verified idea of the diversity of ways of

socialist revolution and construction and the necessity of observing the fundamental principles of communism, of correctly modifying them in details, and of adapting them to the national and national-state differences (that is in particular), Lenin considered dictatorship of the proletariat one of the fundamental, generally valid principles, as we know. To be sure he did not err in and for that period, but history has progressed, the work has changed, socialism has matured, and it is clear that dictatorship of the proletariat is not a general law of socialist revolution and construction. Comrade Nicolae Ceausescu's opinion that "What was valid at a given point in a certain stage becomes outmoded and must be replaced with what suits the new stage of social development" is fully proving its viability not only in the realm of the particular but also in that of the general, because the general also has specific-historical characteristics.

Major theoretical and practical conclusions follow from the above-mentioned aspects of the dialectics of the general and particular. One of the most important ones is to the effect that in any country the transition to socialism must be made according to each country's developmental level and conditions, that there is no and cannot be any "model" for it, that there are generally valid laws and principles that must be considered without fail, that socialism can be the result only of the struggle of the working class and the revolutionary, progressive forces of every people, and that it cannot be imposed from outside, just as it is not possible either to stop it by way of a counterrevolution. In pointing out emphatically that the RCP has been proceeding from the fundamental principles of scientific socialism and from the historical and dialectical materialist conception of the world and life while allowing for the trends and objective laws of socioeconomic development, and that it has been constantly studying the practice and experience of socialist construction and global socioeconomic development, Comrade Nicolae Ceausescu said that "Meanwhile we have always been proceeding from the actual Romanian conditions." In speaking of the innovative political policies made and promoted in the period since the Ninth Party Congress, the party secretary noted that "We have sometimes been openly or less openly criticized for deviations from experience and the general norms... It is undoubtedly a very good thing that it is understood now that socialism cannot be built according to any models, and that what has been accomplished in any given stage in any given country cannot be imitated."

The correct interpretation of the relationships between the general and particular on the basis and in the context of the dialectics of the specific is also to be seen in our party's position on the differences of opinion that can arise at any time in the communist and workers movement and among the socialist countries and also on the ways and means of resolving those differences of opinion. Our party has been regarding the appearance of differing opinions in evaluating some phenomena and the ways of practical construction of the socialist order as

a natural thing, due to the great diversity of the specific historical and social conditions under which the revolutionary parties operate. In Comrade Nicolae Ceausescu's view, differences of opinion must not infringe in any way upon the normal ties among the fraternal parties and the socialist countries. They must be analyzed and discussed in a constructive spirit of mutual respect, while receptiveness to others' opinions is shown and they are left as problems in abeyance to be solved by experience. Of course it is a matter of differing opinions arising on the basis of the fundamental general principles of scientific socialism and not from shifting to other social, political and ideological positions. The fact is well known that this attitude, consistently affirmed by our party and by Comrade Nicolae Ceausescu, played an important part in resolving some disagreements that were artificially created and fostered in the communist and workers movements and in relations among the socialist countries, and it has been fully borne out by the development of events and by experience.

Emphasis on the necessity of observing the fundamental principles of scientific socialism, the socialist ideals, and the general laws of socialism has acquired new meanings in our party's program documents in recent years. It is a fact that some tendencies to underrate or even to disregard the general have appeared recently in some countries, just as misinterpretations exalting the general in socialist revolution and construction did in the more or less remote past.

Views that exalted the particular and individual predominated for a long time in the philosophy of history and culture and in social and historical thought, denying the existence of the objective laws in social activity and development and actually contesting the status of the social sciences as nomothetic sciences (those that postulate laws and are based on laws). In this respect too the establishment and affirmation of historical materialism meant a veritable revolution in thought, philosophy and the social sciences in general. Once the objective social laws were discovered, social science in the proper and full sense of the word became possible, and through the establishment and affirmation of that social science the revolutionary and progressive forces benefited by a theoretical guide and an adviser in the effort toward the structural transformation of society. (Let us note in passing that in our time denial of the social laws has become obsolete and outmoded even in the non-Marxist views in the social sciences, even if the understanding and interpretation of those laws differ more or less from those based on positions of the materialist conceptions of society and history.)

Exalting the particular and individual necessarily leads to regarding history as an uninterrupted series of happenings. The more in error this position is from the theoretical and scientific points of view, the more harmful it is in its consequences to social practice. In this view, the victory of socialism in a series of states would become a mere game of history, and the efforts and aspirations of millions and hundreds of millions of

people would appear aimless. What purpose would there be in purposeful construction (based on knowledge of the objective laws of social development) of the new socialist order if it is only a game of chance happenings. As Comrade Nicolae Ceausescu said in his speech in November 1988, "A thorough analysis is required concerning the action of the objective laws in the general development and under the specific conditions of socialist construction and of the actual situation in a given country. Accordingly we must point out very emphatically that it is impossible to leave the development of socialist construction to chance."

In complete conformity with the whole experience of the historic worldwide revolutionary process and with the fundamental principles of scientific socialism, confirmed by the implementation of that process, our party's documents constantly affirm the unaltered validity of the epoch-making discovery of the founders of scientific socialism and the fact that mankind's transition to socialism is an objective law of social development, since it is one of the main characteristics of the present period. Comrade Nicolae Ceausescu said, "Let us not forget under any circumstances that the capitalist system will have to give way to the new socialist social system. That is a law of man's development!"

It is known that recognition of the existence of the objective social laws and their discovery are closely interdependent with the development of the concept of social formation, which is fundamental in the structure of historical materialism. It is no wonder that those who deny in one way or another the general laws and fundamental principles of socialism even question socialism as the new social order, going so far as to assert that it is impossible to define socialism, that it is not actually known what it is, and so on.

The RCP Program clearly formulates the criteria (actually, the laws and principles) whereby the social system in any country can be considered socialist. In indicating the wide range of ways of shifting to socialism and the specific methods, experiences, and measures in socialist construction, a range determined by the diversity of the specific socioeconomic and political conditions, by the historical characteristics and traditions of each country, and by the resulting options taken, the RCP Program says, "Certainly the nature of its political power and production relations, the transfer of state power to the workers, the establishment of socialist ownership of the production means, the abolition of exploitation of man by man, and the implementation of the socialist principles of distribution are and always will be essential to socialism." Our party's scientific, revolutionary view of socialism is of course expressed not only by those few lines but also by the RCP Program in its entirety as well as other documents and by decisions of the party congresses and plenums of the RCP Central Committee, and it is brilliantly expressed in Comrade Nicolae Ceausescu's speeches. The above-mentioned formulation is intended only to heavily emphasize the fact that however diverse the ways of shifting to socialism are and will be,

they must necessarily have general characteristics in common and they must meet certain indispensable conditions, without which the respective phenomenon or process loses its distinctive and precise qualitative features and becomes something else. We do not know in advance all the possible ways in which the workers' power and socialist production relations will be created in the future, nor all the specific characteristics and manifestations that socialist society will have in its historical development, but those developmental laws, fundamental principles, and major options without which socialism is not socialism are known and verified by history.

As we know socialism as a social structure has an economic base and a superstructure of its own that differ from those of other social structures, and socialism is impossible without socialist production relations based on socialist ownership or without an appropriate political-legal superstructure wherein the revolutionary party exercises its political leadership in society and in the state. And as we know, in any society the predominant ideology is that of the predominant class (or classes), and accordingly socialism as a social structure also has distinctive features in its ideational superstructure and intellectual culture. Although the possible variations of those general characteristics cannot be determined ex cathedra, it is clear that the former cannot reach the point of disrupting the latter. Socialism cannot be built on a predominance of private ownership, without the instrument that represents the organized power of the workers, namely the socialist state, or without the political leadership of the revolutionary party armed with a bold, scientifically substantiated ideology. Observance of the dialectics of the specific should deter us not only from sacrificing the particular on the altar of the general but also from disrupting the general in favor of the particular.

Those who disregard the fundamental principles and laws, the indispensable criteria of socialism, sometimes invoke the fact that they do not in themselves guarantee the affirmation of the ideals and values characteristic of the new order, that the devious history of socialism includes cases where the existence of socialist ownership did not ensue socialist equity, economic progress or the workers' well-being, where the workers' power suffered distortions, and so on. The stands taken by our party and Nicolae Ceausescu on the principled, scientific, and revolutionary treatment of the current problems of socialism are of overwhelming theoretical and practical importance to a correct interpretation of those problems. We are referring primarily to the following principles and ideas: It would be an intolerable confusion to conclude that some errors, some defects, and even some abuses pertain to the very nature of socialist society and socialism. Any improvement or renovation of socialism must be based on the great gains and achievements already accomplished and not on their impairment or disruption. Socialism does not develop automatically but as the result of a vast purposeful effort

of the entire people mobilized and led by the revolutionary party, the most advanced political force in society. As our party's secretary general said about this in his speech at the great people's assembly in Drobeta-Turnu Severin municipality, "The transformation of society, the formulation of the strategic objectives and the RCP Program, and communist construction cannot be accomplished by reformism but only by the revolutionary struggle!"

The principles and ideas formulated by our party in the period inaugurated by the Ninth Party Congress have been implemented in the extensive process of building the fully developed socialist society. Without denying the objective laws and fundamental principles of socialism but by proceeding from them and applying them creatively according to the Romanian conditions, socialist ownership, the social relations built upon them, and social management on the basis of the Unified National Plan for Romania's Socioeconomic Development, in close correlation with the masses' widespread participation in making and implementing domestic and foreign policy, have permitted an enormous advance of the productive forces and affirmation of the principles of socialist equality and equity. The workers' power has been proportioned in conformity with the principles of workers-revolutionary democracy, and the revolutionary

party, so far from being a body above society, has been affirmed and is being affirmed more and more as the vital, mobilizing center of all society.

In addition to the objective processes governed by the developmental laws, the development of any society and especially the socialist one is also directed by some major value options. Alongside knowledge of the objective laws and their specific and creative application, the value options, guided by the most noble socialist and communist ideals, are proving to be definitive for the development of socialist society. For example, socialist Romania has been opting for a socialism without the degrading phenomenon of unemployment, wherein every youth who is born is assured of a job, the population is not divided into rich and poor, and the working, living, housing and other conditions enable all citizens without discrimination a worthy life. In the last analysis, as the founders of scientific socialism predicted, as a matter of fact, among all the general laws, principles and characteristics of socialism and communism, undoubtedly the most important one, on which all the others converge as upon a focus, is the law whereby, in the words of the "Manifesto of the Communist Party," "The free development of each is indispensable to the free development of all."

HUNGARY

Conduct of Military MSZMP Delegate Meeting Criticized

25000429a Budapest NEPSZABADSAG in Hungarian
29 Aug 89 p 9

[Article by Lieutenant Colonel Sandor Kiss, participant in the Hungarian Socialist Workers Party (MSZMP) meeting of delegates at the Miklos Zrinyi Military Academy: "The Anatomy of a Military Meeting of Delegates (an entirely subjective report)"]

[Text] I am received in a well prepared, nicely decorated room. The watchword is concise. Delegates and invited guests fill the room. The presidium—generals and colonels—take their seats. (I wonder why the tradition of having various levels of staff represented in the presidium was discontinued.)

The chairman's opening statement. Having briefly extolled the significance of the delegates meeting, a proposal is made regarding the agenda. Question: Any other proposals? There is one! (Minor bewilderment in the room.) The essence of the proposal:

"For four and a half years the party committee has not reported on its work to the meeting of delegates which elected it. Therefore, let us consider the report the first item on the agenda, and let us consider the party committee mandate expired. Thereafter we must elect a new, single body party committee (piercing eyes). And further, since we have had no opportunity to learn the profiles of the delegate candidates, the meeting of delegates should accept only their nomination. We will elect our delegates to the congress after the nominees discuss their views at various party forums and functions. They will be elected by party vote. We may rightfully seek a variance to the late August deadline because this is an educational institution, and because this is the time when vacation leaves are taken (even more piercing eyes, plus some emotional reactions.)

Uncertainty regarding the agenda. The chairman of the nominating committee states that they cannot undertake this kind of work today. Following some disturbance, the chairman firmly calls for a vote on the party committee's original proposal. It is adopted by a decisive majority, and no other proposal makes sense. Someone protests. They agree that the party committee will report to the meeting of delegates by the end of the year.

Substantive work begins. The first secretary of the party committee delivers an opening speech. He reviews social policy issues and international processes. He also analyzes significant issues within party life and reviews local party work. The party's upper leadership is criticized courageously and harshly. Criticism of their own party work is milder. He establishes the fact that the party committee has not made serious mistakes. He agrees with the idea that the party must change from a case managing party to a political party, but says that cases

must also continue to be handled in the future. Moreover, pressure is also exercised on party organs from the "bottom" to settle certain cases.

He explains that one has to remove oneself from extremist reformers just as from conservatives. Following many other essential and probing thoughts, some of which praise the results of the institution, the proposal also includes a summary consisting of several items, a position statement and tasks, destined to become "ammunition" for the delegates.

Comments follow. Several worthy, occasionally passionate opinions are offered. Along with comments on the most important social policy issues and the party's internal life, several critical remarks are made, primarily regarding the upper leadership of the party, but there is enough left for the party committee. One proposed proclamation would state, among other things, that the present meeting should express its commitment to and support of the party presidium headed by Rezso Nyers and the policies of the government headed by Miklos Nemeth, and that the meeting should support what is of particular importance to us, namely foreign and security policies, whose formulation and implementation is marked by the name of Gyula Horn (uncertainty in the room.) These days critique is more fashionable than firm support. Several individuals ponder whether or not this proposal represents the workings of some old reflexes.

Comments are made. One could fundamentally agree with the contents, but (!) let us not tie ourselves to persons, let us leave out the names! (I should note here that several names were mentioned as part of the remarks, including Marx, Engels, Lenin, and even Janos Kadar, and one person even mentioned Imre Pozsgay, however an instant murmur could be heard.) There were some legally motivated excuses. The party conference of the armed forces should not pledge its support to government policies.

The meeting goes on. We attentively listen to the representative of a higher party organ. He also provides some essential new information.

After several comments someone suggests: Since we do not know what the purpose of this debate is, let us conclude the debate and move on to the second item on the agenda. Quite a few persons raising their hands are allowed to speak. The greatest applause was earned by a remark that, due to the short deadline and vacation leaves, no report could be prepared. There are some who do not recognize this "reality," thus he suggests that we perform the assigned task—the elections (!)

Debate comes to a conclusion with a summary presented by the "reactions" of the first secretary. The chairman is somewhat uncertain (is there or isn't there a need to vote?) Then, having regained his firmness, he concludes debate on the first item of the agenda. Elections follow.

The chairman of the nominating committee reports at length on the difficulties and complexities of work faced

by the many members of the nominating committee, then enumerates the personal data, functions, and merits of the nominees. The congressional delegate nominees report their basic political positions and opinions. Some do it in a few sentences, others make lengthier presentations. Some nominees are absent because they are on vacation (?). Some questions are asked from the nominees. One of the candidates regarded as talented had this to say: "In congress I will represent the position formulated by the delegation of the People's Army!" (A soldierly, firm response.) Then we elect our representatives to the congress, and our delegates to the higher level party conference.

There being no committee to examine mandates, there is no report by the committee on mandates. We are a disciplined people, therefore we may trust that invited guests do not cast either open or secret ballots. Our conference of almost 8 hours has come to an end.

We have successfully implemented the meeting of delegates!

Did we successfully implement the meeting of delegates?

Lieutenant Colonel Sandor Kiss, participant at the Miklos Zrinyi Military Academy MSZMP meeting of delegates, took all these notes.

YUGOSLAVIA

Yugoslav Researcher Patents Nerve Gas Antidote

28000164 Zagreb VJESNIK in Serbo-Croatian
30 Jul 89 p 11

[Article by Mladen Paver: "A Yugoslav Patent Against Nerve Gases"]

[Text] At a recent international symposium on protection against nerve gases that was held in the Swedish city of Umea, a Yugoslav expert presented—for the first time in the world—experiences with a new method of successful treatment of patients poisoned with a fatal dose of organic phosphorus insecticides.

Why did leading world experts immediately show great interest in this paper? These insecticides are actually only a milder version of the dangerous nerve gases. "Relatives," then, of chemical weapons, among them the notorious soman, against which there was no protection until recently.

In Yugoslavia, General Major Dr Vladimir Vojvodic, a professor who now heads the YPA Medical Administration, and Dr Zlatko Binenfeld, full professor in the Military Medical Academy, have been working for decades on medical protection against chemical weapons. They sketched out for readers of VJESNIK the long and tortuous road which had led Yugoslavia to the undivided recognition of the leading researchers in Umea, but also to prospects for concluding interesting business deals.

At the beginning of the seventies, intensive activity developed to find solutions for an all-inclusive ban on the production and storage of chemical weapons and for destruction of existing stockpiles, our informants reminded us. This activity developed at the intergovernmental level in the Committee for Disarmament (CD) in Geneva, and at the level of nongovernmental organizations, especially in the Pugwash Conference and through the International Institute for Peace Research in Stockholm (SIPRI). Yugoslavia at that time had a very distinguished place at all those points. "What perhaps seemed revolutionary at that time has in the late eighties been accepted in most of the documents of the CDA," say Professors Vojvodic and Binenfeld, who have for many years been technical experts of the Yugoslav delegation at sessions in Geneva. It was they who initiated in Geneva the well-known proposal to create a zone free of chemical weapons in the Balkans—some 10 years or so before the proposal of Romania and Bulgaria.

International Activity

"In nongovernmental organizations such as the Pugwash Conference and SIPRI, and indeed at other meetings in the recent past, we always advocated complete elimination of nerve gases because of the great danger which they represent to all humanity," our informants emphasized.

"You see, our thesis has always been that the use of nerve gases by the great powers is rather dubious in view of the degree of protection which they possess. But in so-called local or regional wars the use of nerve gases cannot only be anticipated, it could even become decisive. We think that events have shown how right we were. Our thesis that chemical warfare could take on strategic proportions was also contested for years. That thesis also was given official confirmation in some meetings in 1988 which debated a ban on chemical weapons."

While they are following the present situation—the negotiations are going on, and the judgment is that the agreements are just about to be signed—our informants are rather skeptical "in this phase of reflection."

"For the great powers, nerve gases are of only secondary interest from the military standpoint. But they could be very important from the standpoint of political propaganda. At the same time, a ban on chemical warfare means a very great deal to a majority of countries in the world. Since from the technical and medical standpoint they are practically without any protection whatsoever, they continue to be an ideal target for the use of chemical weapons. Unfortunately, as is well-known, the decision is regularly made by those who have the nerve gases, not by the others."

Professors Vojvodic and Binenfeld recall that the issues of chemical disarmament which are still outstanding—the problems of inspection and verification—do have appropriate solutions from the technological standpoint.

"If there is goodwill, the signatures can be put to the documents even tomorrow. It is obvious that the moment has not yet come from the standpoint of the global strategy of the great powers."

In the judgment of our informants, along the road to a world without chemical weapons there are obstacles more dangerous than the existing stockpiles of nerve gases. This is the proliferation and spread of weapons for chemical warfare, and even the very thought of the possible scale of that spread frightens them.

The 'Yugoslav School'

"Proliferation does not mean just making that weapon available, or selling the raw materials for manufacturing nerve gases," our informants explain.

"It also includes furnishing the technology and the experts for organizing the production of such substances. You see, a few years ago it was only the United States that acknowledged possessing stockpiles of nerve gases. Today, that list has grown longer with the public statements of the governments of the USSR, Britain, and France, and intelligence sources of the great powers are already saying that some 10 or 20 states are capable of manufacturing nerve gases. In this case, how will we arrive at enforcement of the ban on the production of nerve gases? Every day we delay in signing the agreement reduces along the line of an exponential function the likelihood of achieving agreement on a ban.

"The saying that 'nerve gases are the poor man's nuclear weapon' has encountered numerous attacks," Dr Binenfeld said. "It is odious, but it is difficult to deny that there is some truth in it. Nor is it any wonder when we hear rumors even from our own country that the ban on chemical warfare should be linked to the ban on nuclear weapons. All in all, it is difficult for me to take an optimistic view of the ban on nerve gases and an agreement anytime soon."

This summer, Dr Binenfeld took part in the proceedings of a special conference of the International Committee of Professional Health Officials that was held in Geneva. The meeting appealed to all those who know about nerve gases from whatever aspect to raise their voices against chemical weapons.

"We in Yugoslavia should also become involved in that campaign," says the man who in Yugoslavia way back in the fifties began to work on synthesizing protective agents against intoxication with nerve gases. "I sometimes get the idea that too little is written about this in our country, and what is written is not technically correct. The relevant articles in the newspapers are full of mistakes, although any writer could obtain the right information. With all of our committees for peace and international cooperation, which quite often are very active when it comes to dealing in rhetorical generalities, we have not yet heard of a precise and clear position

being taken on this problem. Are we going to have to lose the prestige we have gained? It is still not too late to correct this."

Dr Binenfeld recalls that a nucleus was created back in the fifties in the YPA Military Medical Academy and they began to work on medical protection against chemical weapons in the army and civilian life. Small at first, in time the group grew not only in the armed forces, but also outside it—in top-level scientific and university institutions. Thus, in the country today we have a large number of people and institutions working on this problem at the top world level. Their papers are referred to in professional and scientific journals and books all over the world. It has even gone so far that a "Yugoslav school" is referred to.

"I think that this is one of the rare fields in which we truly are at the top of world science," Gen Maj Dr Vojvodic believes. "I want to emphasize that we succeeded in this because this was stated as the distant goal 30 years ago. Perhaps even more as a desire: through our research to arrive not only at knowledge on how to treat cases of poisoning with chemical weapons, but also to create our own protective agents and methods."

Volunteer Researchers

"For example, for several years now our military medical equipment has included up-to-date agents for protection against nerve gases," Dr Vojvodic continued. "This is the autoinjector, a device for self-injection of substances against poisons, what are called antidotes. The effectiveness of these drugs has been tested on a number of patients all over the country who were accidentally poisoned with organic phosphorus insecticides. The mechanism by which these insecticides operate is practically identical with the operation of nerve gases. They are only 100 or 1,000 times more toxic.

"I can say that today we are about to see an achievement which will be among the more notable in the world," Dr Vojvodic told us. "In our country, with our own resources, we have solved the problem of including in medical equipment a new antidote against nerve gases, the drug referred to as HI-6.

"HI-6 was discovered as a chemical substance more than 20 years ago. It was anonymous for a decade, and then authors in the Netherlands discovered its effect against soman—one of the most dangerous nerve gases, against which there was no protection until recently."

"When I learned that," Dr Binenfeld said, "I joined Dr Vera Deljac and scientific associates in the Bureau for Organic Chemistry and Biochemistry of the School of Natural Sciences and Mathematics of Zagreb University to synthesize and study that compound. As a matter of fact, the first open publication on that program was published in ZBORNIK VOJNO-MEDICINSKE AKADEMIJE JNA way back in 1968.

"Tests on experimental animals yielded encouraging results, and the entire team of experts in the Military Technical Institute of the YPA and the Military Medical Academy—Professors Vojvodic, Kusic, Boskovic, Maksimovic, and others—arrived at the knowledge that we could move into a higher phase of testing. From chemical laboratories in the direction of semi-industrial production, and in the medical area to move on to final tests on animals and preparations for testing the drug on volunteers."

"Who were those volunteers?" we asked the professor.

"All the names which we mentioned, along with other associates who worked on this research and development," the general said. Brief, but sufficient as to the ethical fiber of the researchers.

"I conducted all the work related to semi-industrial synthesis of HI-6 in the SOUR 'SBS' ('Saniteks—Bosna lijek'), a work organization for special-purpose production in Sarajevo, with my collaborators there, among whom I would especially single out the engineer Azra Granov," Dr Binenfeld continued. "In the end, this resulted in a patented process for production of HI-6, the only one in the world. At present, it is produced only in our country and is already being sold abroad. I can say that we have achieved a kind of 'monopoly,' judging by the immense interest of the leading industrial countries of the world in our production of HI-6."

The Autoinjector Has Also Been Patented

"Although this antidote works exceptionally well, I omitted to say that HI-6 has one very serious defect," Gen Vojvodic added. "It is unstable in water solutions. This means that the existing autoinjectors were not suitable for administration of this drug. We had an agent

in our hands, but not the equipment with which we could administer it. Professor Binenfeld and I solved that problem using the facilities of the "Elka" factory in Maribor, collaborating with their experts, Engineer Koren and his associates. A new injector was designed with several chambers. In this device, the drug HI-6 is in the dry state, and a solution is obtained immediately before self-injection. This device was also patented. The features of its design also aroused great interest at the recent international symposium on protection against chemical weapons last month in Sweden. This autoinjector exists in only three other countries in the world. The Dutch, the Swedes, and the English have it. I would say that our device is superior because of its being simple to use and also its price."

Use of the drug HI-6 on patients who were accidentally poisoned with organic phosphorus insecticides proved to be surprisingly good. The drug proved to be effective even when the antidotes we had up until that time were ineffective.

And those facts suggest the conclusion that the undertaking with HI-6 and the autoinjector could bring our country tens of millions of German marks. The originators in charge of the project mentioned that the entire cost of the research, all the way to the final packaging of the drug HI-6 and the autoinjector, did not amount to even 1 percent of the amount spent in the world on a similar project.

There is one more message contained in these patents. It is obvious that even in Yugoslavia persistent work—in spite of the lack of understanding, oversights in financing promising research projects, and not uncommonly even traditional envy—can achieve results that take us to the world level in both scientific and economic terms.

BULGARIA

Negative Consequences of 1992 Predicted

22000089 Sofia IKONOMICHESKI ZHIVOT in Bulgarian 7 Jun 89 p 9

[Article by Dimitur Surmadzhiev: "Will the Agrarian Policy of the EEC Common Market Change?"]

[Text] In keeping with the idea of gradually building an economic and currency union and proceeding to create a European Union, the member countries of the European Economic Community (EEC) have decided to establish by the end of 1992 a single internal market that shall "represent a territory without internal borders, in which free movement of commodities, services, capital and physical persons will be ensured." The package of measures that has been worked out (the Delor package) is under discussion and a considerable portion of the measures has already been adopted.

In the process of creating a single internal market the following basic thrusts have been noted:

- abolition of so-called nontariff barriers; in this area uniform norms and standards, including norms and standards in veterinary science and plant protection, will be established;
- opening and liberalization of long-distance communication equipment and services;
- greater liberalization of the movement of capital;
- creation of a pan-European patent, pan-European trademark and pan-European public law.

The free movement of commodities in the community is hampered now as a result of the operation of numerous technical norms and regulations, which often have as their purpose the protection of the interests of national producers. That is why at present the EEC is pursuing a policy of eliminating the technical barriers and of reciprocal recognition of commodity standards. Uniform norms will also be adopted in the production of and reciprocal trade in foodstuffs.

The EEC single internal market envisages the abolition of fiscal taxes and the functioning of an indirect tax system. There is in effect at present in the community a uniform system for calculation of the value-added tax, the amount of which, however, is different in the individual countries. The same applies to excise taxes as well. This results in differing competitiveness of commodities and differing border control. In the first stage it is envisaged that the value-added tax will be paid not at the frontier, but in the country in question. The complete abolition of fiscal frontiers presupposes creation of a compensatory mechanism among the member countries and the taking of measures to standardize the national mechanism for the determination of the indirect taxes so that the difference between them will be minimized and they do not adversely affect trade among the countries.

The creation of a single internal market in the EEC does not for the present envisage any substantial change in the established common agrarian policy, considered to be one of the member countries' greatest achievements. Therefore a brief reminder is necessary of the basic principles of the common agricultural policy that has been followed, and especially of its price-setting mechanisms, including those in the area of trade with third countries such as the Bulgarian People's Republic. This policy has as its aim to achieve stimulation of agricultural production to a degree of self-sufficiency and at the same time provide farmers with incomes that will not be substantially inferior to the profits in industrial activity. The common agrarian policy is based on the following most important principles:

- establishment of free movement of agricultural products over the entire EEC territory, i.e., abolition not only of tariffs, but also of all quantitative and all other administrative restrictions whatsoever in intraregional trade;
- joint financing of expenses resulting from implementation of the common agrarian policy, i.e., expenditures for the encouragement of production, for the promotion of warehousing, for the restructuring and intensification of agriculture, and for the subsidization (in certain cases) of exports. For this purpose a European Agricultural Orientation and Guarantee Fund (FEOGA [Fond europeen pour l'orientation et la garantie de l'agriculture]) was established and has since the middle of 1968 assumed entirely the expenditures involved in interventions in agriculture;
- effective protection of agriculture at the border of the community, which consists in the creation of a comprehensive economic mechanism, including not only a uniform foreign custom-tariff, but also price intervention in the case of imports from third countries and quantitative and other restrictions on the access of commodities not originating in member countries.

To achieve the projected aims and in observance of the above-indicated basic principles, the EEC agencies resort to the use of various devices. The most important of these are the mechanism of imposing a general foreign custom-tariff and the mechanism of integrated markets for individual groups of agricultural commodities.

The system of supranational regulation of production has resulted, during the years that have elapsed, in a rise of the community's self-sufficiency in all basic agricultural commodities. In the case of some of these, surpluses have even accumulated, which the EEC has gotten rid of by granting subsidies for the dumping of exports on third countries. Oversupply has been reached primarily in dairy products (cow's milk, powdered nonfat milk and some kinds of cheeses), as well as in sugar, poultry, veal, beef and pork, barley, grape wine, hops, a number of species of fresh and processed fruits and vegetables, etc.

After abolition of the intraregional tariffs and introduction of the common foreign custom-tariff, the regulation of the integrated markets for individual agricultural commodities, based on the system of uniform prices for agrarian products, took on uppermost importance.

The system of uniform prices in the Common Market is constructed from various kinds of prices, adapted to the character and significance of individual agricultural products and to the aims pursued by the common agrarian policy. These prices assure a guaranteed minimum income level to the producers—a prerequisite for production growth, as well as sure protection against competition from abroad.

Included in the first type of price is the tentative price, which—depending on the commodities to which it is applied—bears different designations—indicative, control, leading, basis, target, normative. They are set for different commodities in different ways. In general, this price reflects actual production costs, guarantees the program of self-sufficiency within the framework of the community, and includes elements of a sociopolitical character. This price assures the producers a specified minimum price level in the market during the period for which it is fixed. The so-called intervention price is determined on the basis of the tentative price, but is usually lower than it. The intervention price fixes the bottom limit for fluctuations of the market price set as a result of demand and supply of the commodity in question in the regional markets within the framework of the EEC. When the market price falls below the level of the intervention price, the relevant intervention agencies of the community buy up the excess stocks of commodities and, by storing them in warehouses, in fact remove them from commodity circulation for the purpose of price stabilization. The so-called intervention stocks thus accumulated are released into the market again in the event of an excessive rise of market prices or are disposed of through food assistance programs, for charitable purposes, etc.

The second type of uniform price is employed in the sphere of trade with third countries. Their function is protective as far as the regional market of the community is concerned. These prices serve to eliminate the influence of the usually lower international prices, set in the markets outside the EEC, on market prices in the community. They are set by EEC agencies for various periods in keeping with the character of the commodity. If the third-country suppliers do not abide by them, the EEC authorities initiate a so-called compensatory (equalization) fee, whereby the lowest prices in the world market are equalized with the highest market prices in the community. Included in this type of uniform price are the following:

- published (reference) price, employed for fresh fruits and vegetables, grape wines and fish;
- threshold price, fixed on the basis of the control prices for dairy products, cereals, rice, sugar and olive oil;
- price regulator, employed for pork, poultry and eggs;

—minimum import prices, employed for beef and veal, processed fruits and vegetables.

All EEC uniform prices have a regulatory function, the aim of which is to keep actual market prices above a fixed minimum permissible level. In final analysis, the aim is thus to achieve a normal market situation precluding a sharp drop in market prices due to a commodity glut or an abnormally sharp runup due to a commodity shortage. Therefore there is reason to assume that the foreign trade prices realized in intraregional commerce among EEC-member countries are a result of the employment of the uniform agrarian prices and of the role and function assigned to them.

The mechanism for regulation of integrated agrarian markets also includes the wide-scale granting of subsidies to producers for the following purposes: for maintenance of production of the restructuring thereof; for compulsory storage of commodities in order to reduce, in urgent cases, the volume of commodities in the market; for earmarked processing of products in their natural state or even sometimes destruction of commodity inventories; for guaranteed centralized purchasing and other market interventions, as well as export subsidies to encourage exporting of agricultural surpluses to third countries.

All subsidies have as a goal the support of a system of uniform prices. Still for the same purpose, sanctions are employed too, in the case of imports from third countries that take the form of compensatory (equalizing) fees, additional compensatory taxes, quantity and quality restrictions and, as an extreme measure, a total ban.

With the result that in implementing the common agricultural policy, EEC agencies use the price system as a lever and most important regulator of agricultural-commodity production and markets within the boundaries of the member-countries of the community.

The creation of a single internal EEC market at the end of 1992 will adversely affect the export interests of the Bulgarian People's Republic on several scores.

The role of the EEC Commission as a contractual party in the trade and economic relations of individual EEC-member countries with third parties, especially smaller countries, will be stepped up. This will hamper the exchange of commodities and the penetration of commodities into the Common Market's economic territory, but once brought in, any commodity will be able to move without hindrance from one member country to another, which will sharpen competition.

Rapid abolition of quantity restrictions on the exports of Bulgarian commodities cannot be expected. Besides that, there will persist the effect of the common agrarian policy on EEC trade with third countries and of the community's discriminatory price-setting mechanisms to protect the interests of its producers.

The classical trade and economic restrictions will gradually be expanded with technical barriers through unification of the pan-European veterinary-medical norms, standards, certificates and laboratory regulations since, as a rule, every standardization in respect of imports from third countries is established on the basis of the strictest specifications in any of the member countries.

A danger will arise of intensification of the discriminatory policy towards transportation by TIR [Transport international de marchandises par la route—International Highway Freight Transportation] trucks, with the possibility of attempts to limit the number of permits issued for deliveries by Bulgarian trucks.

On the part of the Bulgarian People's Republic several purposeful measures could be undertaken that would, to a certain extent, limit the adverse effect of the creation of the EEC's single internal market, namely:

—Apart from the effort to enter into favorable agreements on Bulgaria's trade and trade-and-economic cooperation with the EEC, there could be intensification of information exchange in the field of standardization and a search for solutions that would preclude the replacement of the classical restrictions with technical barriers. On this score it is advisable to be willing to make accommodations and to enter into special agreements for reciprocal recognition of veterinary-medical standards, certificates, laboratory tests, etc.

—Constant upping of the nonprice competitiveness of Bulgarian products, with simultaneous improvement in the matter of observing technological discipline in the production and quality enhancement of foodstuffs for export to the EEC, so as to avoid quality complaints. Such commodities will earn greater confidence among consumers and, in combination with active advertising, will make possible the achievement of higher selling prices.

The effect of the EEC single internal market on Bulgarian exports of agricultural and food-wine-and-tobacco products probably will also have a number of other aspects for a long period after 1992. For this reason it is advisable to continue the job of watching the building of the single market so that all the new factors in its development that might affect the export interests of the Bulgarian People's Republic will be discerned in good time.

Record Profits

In 1988 the companies in Western Europe earned record profits. According to Angus Makneyldzh [name as published] of the British brokerage firm James Keypul [name as published] and Company, they increased an average of 16 percent, and those of some companies much more. For example, the Dutch company producing DAF trucks earned 133 percent larger profits and its president Art van der Pad [name as published] is now drawing up a "significant 1989 capital investment program," the magazine *BUSINESS WEEK* says. The

profits of the Thyssen Duesseldorf Steelworks Company increased 152 percent to \$360 million—the best results since 1953.

The French petroleum giant ELF Aquitaine increased its profits by 73 percent, the West German chemicals producer BASF by 44 percent, the British Imperial Chemical Industries by 12 percent. The Swedish Nobel Industries by 50 percent, and from January 1989 to date has allotted \$170 million for expansion of its operations in the EEC.

CZECHOSLOVAKIA

Recent Demographic Data Summed Up

24000166a Prague *LIDOVA DEMOKRACIE* in Czech
12 Jun 89 p 1

[Article: "What Do Demographers Predict?"]

[Text] The age composition of the Czechoslovak population has to date been characterized by favorable ratios among its main groups. Inhabitants 15 years old and under account for around 23 percent of the population; people of productive age account for about 58 percent; and people of postproductive age account for about 19 percent of the total population. This age structure, however, is not uniform; there are significant differences between the republics and among individual territorial units.

Population projections through the year 2000, developed by the Federal Statistical Office, indicate that the CSSR population will increase from about 15.5 million in 1986 to 16.1 million by the year 2000. There will also be changes in the age structure. Projections call for a continuation of the long term trend towards an aging of the population. The total number of people of postproductive age will decline moderately through 1995. By the year 2000, however, we must plan to pay in the vicinity of 4.4 million pensions, an increase over the next 15 years of some ten percent. After the year 2000 the number and percentage of the population 80 years of age and over will continue to increase.

These realities will put demands on social services, especially on the health care, social security, and pension systems. We will also have to create conditions that will allow us to make optimal use in the national economy of retirement age people still capable of work. Projections for the Ninth 5-Year Plan call for only a moderate decline in the number of working old age pensioners.

Currently some 3.5 million people living in the CSSR are receiving some form of pension; old age, invalid, widow, etc. Many, however, are still active in the labor force. The number of working retirees in the CSSR is increasing, and now accounts for roughly 25 percent of those citizens collecting some form of pension. The increase comes mainly from increasing numbers of working women and old age female pensioners.

This makes working retirees a significant source of labor for the Czechoslovak national economy. In a number of sectors: domestic retail trade, united agricultural cooperatives [JZD], housing management, and communal services, retirees account for 14-20 percent of the work force. The economic activity of individuals of postproductive age to a large extent has a social motivation, but in a number of other instances it stems from an urge to continue with the process of self-realization in retirement.

Women's Congress Calls For Equal Rights

24000166b Prague *LIDOVA DEMOKRACIE* in Czech
14 Jun 89 p 1

[Editorial: "For True Equality"]

[Text] On Friday and Saturday some 1,000 delegates will gather in the Prague Palace of Culture, representing the million member Czechoslovak Women's Union at their national congress. The congress will discuss the role of women in implementing the process of restructuring and democratizing our society, efforts by women to improve the prestige of the family and to contribute to the formation of the younger generation. Also certain to be discussed is the joint responsibility of women for the development of cities and towns, and the international efforts of the union. Undoubtedly among the most important tasks of this mass organization of women is the achievement of true equality with men. What is the current situation here?

One of the most frequently discussed problems is the high level of female employment, which many regard as the most common cause of divorce. Voices are frequently raised urging that women return to the home, and that their only concern should be caring for children and their husbands. The Czechoslovak Women's Union notes, however, that 54 percent of all women have a high school or college education, and that most of the remainder are trained in one trade or another. If women were to return to the home this education would not be utilized and no society that has made this education available to them can afford to let it go to waste. The organization considers the right to work a basic right of women as well, and it is lobbying to allow women to decide how long they want to remain home with their children. This decision should be driven mainly by the woman's situation and never material conditions.

Although a majority of women in our country is employed and most of them have high qualifications, women are still not paid at the same levels as men when performing the same jobs. For example, a study conducted by the Federal Statistical Office a year ago indicated that in the CSSR the average male wage was Kcs 3,729, while the average female wage was Kcs 2,542. The difference in the CSR was somewhat greater: the average male wage was Kcs 3,776, and the average female wage Kcs 2,544. The Czechoslovak Women's

Union has resolved to be active on this front until this difference has been eliminated.

Further proof that people talk more about emancipation than practice it is the field of management. Only 14 percent of the ranks of work collectives are women, and women account for only a microscopic percentage of those in management functions. It is even typical to find female work collectives managed by men. And in mass organizations women tend to be involved only in the lowest functions. For instance, the membership of factory committees of the Revolutionary Trade Union Movement [ROH] is 54 percent female, but the percentage of women on the Central Trade Union Council can be counted on one hand. Nor are women proportionally represented in either the Federal Assembly or on National Committees.

There are obviously many reasons for this situation. One is that women themselves are not interested in working in these positions because they believe that they are not qualified to do the job. It should also be recognized that society does not make it easy for them to take on such jobs. To remedy this situation the Czechoslovak Women's Union is fighting to develop services that will make household chores easier for women. It has proposed that the Czechoslovak Academy of Sciences [CSAV] administer a center concerned with developing family equality, and that there be a ministry of women and the family. In order for women to achieve true equality with men, however, it will be necessary to overcome a number of stereotypes and prejudices. Today it is no longer possible to return to a past where the sole concern of women was the home. We will have to develop conditions so that women can both work effectively and take care of a family. This would recognize their educational qualifications and their own most vital interests.

Isolation Seen as Cause of Economic Failure

24000163a Prague *LIDOVA DEMOKRACIE* in Czech
26 Jun 89 p 1

[Editorial: "A Promising Path"]

[Text] We talk about it all the time. We produce too wide a mix of products, we try to cover as much as possible of our needs from our own resources, we are looking for a way out that will not require us to rely on apparently expensive imports. This frugality can, to be sure, result in a momentary, praiseworthy, saving of foreign currency resources. On the other hand, it is very short-sighted and, in terms of the comprehensive development of our national economy, even damaging.

Today, after all, the entire world is cooperating not only in R&D but in production itself. This production requires a more highly skilled work force than ever before, a high quality service infrastructure, and last but not least profitable products that can be produced in runs of tens of thousands and millions. No developed country can afford to close its economy in an illusory

self-sufficiency. No developed country allows itself to prohibit imports of state of the art machinery and equipment, if it wants to continue being a developed country. It is impossible to cut corners over the long term on R&D without this having an impact on reduced labor productivity and on overall national economic sophistication.

The recent 14th CPCZ CC Plenary Session concerned itself with these problems. Many critical comments were made at this session, particularly on the closed nature of our economy, which has had the greatest impact on the metallurgy, engineering and electrical engineering sectors. For years we have expected these pivotal industries to be a major source of foreign currency for our country. At the same time we forgot that no well is bottomless and that it would be desirable to modernize these industries. In fact, since 1970 alone the average ages of all machines has increased from 14 to 18 years, and the average annual number of new machines delivered to engineering facilities has declined from 11 machines in the Fifth 5-Year Plan to seven machines in the Eighth 5-Year Plan. Moreover, it is no coincidence, nor a secret that most of the bankrupt enterprises, which had to submit to a legally mandated consolidation program, were in the sectors administered by the Federal Ministries of Metallurgy, Engineering, and Electrical Engineering. The world has left us behind and we will catch up only with difficulty and by spending enormous financial resources. Engineering and electrical engineering exports still account for more than 40 percent of our total exports, but only for 20 percent of our imports. Under these conditions it is not possible to implement a qualitative improvement in production facilities.

In his Report on The Implementation of CPCZ CC Resolutions vice chairman of the federal Government, K. Julis, noted, "Economic openness must be understood as a comprehensive national economic category, in which both the import and the export side must be in balance... a strategy of antiimport restrictions and the objective of structural changes have been shown to be incompatible, and highly ineffective in practice..."

If we want to keep pace, then, with developed countries we have to walk side by side with them, and not simply observe them cautiously from a distance. The twentieth century is coming to an end, and there is no other alternative...

HUNGARY

Commerce Minister on American-Owned Enterprise

25000420a Budapest NEPSZAVA in Hungarian
22 Aug 89 p 4

[Text] As NEPSZAVA reported last Saturday, Intercooperation, Inc., with a \$70 million sales volume, has become the first Hungarian enterprise to be fully owned by Americans. We asked Commerce Minister Tamas

Beck what direct benefit will flow to the Hungarian economy from this transaction.

[Beck] "The Marmon-Pritzker group is one of the most significant American enterprises with an annual sales volume of between \$4.5 and \$5 billion. The fact that an enterprise of this caliber has established its European headquarters in Budapest definitely means new market opportunities both for them and for ourselves. For example, they are already examining what kinds of Hungarian machine industry enterprises they could join with. They could then elevate these enterprises with their management, with their technology, and with their leadership to such levels that they would meet the demands of the Common Market by 1992. Accordingly, our exports could also increase as a result of this transaction."

In his further remarks the commerce minister made reference to objections based on the idea that national assets, the Hungarian industry, are for sale.

[Beck] "I checked in response to these accusations: Thirty-five percent of Austria's industry is not owned by Austrians. And they experience no harm as a result. We are still very far from that level. Nevertheless, the present transaction has the value of a model, because the Marmon Group purchased 100 percent of Intercooperation. This integration could become the source of some very successful business."

Pet Nitrogen Assets To Be Auctioned

Workers Informed

25000408b Budapest NEPSZABADSAG in Hungarian
19 Aug 89 p 4

[Text] Ministry of Industry and enterprise leaders yesterday afternoon informed workers at Pet Nitrogen Works of the government's Thursday decision. The Council of Ministers decided to liquidate the enterprise without a legal successor, while production continues. This form of liquidation is unknown in Hungarian practice. This is part of the reason why such great interest was expressed in the information provided.

Directed by the appointed bankruptcy commissioner, Pet Nitrogen's assets will be sold at auction. Production will continue during this time, however. Even this can increase the amounts to be collected as a result of indebtedness [as published]. Financial support of production while the sale is going on will be guaranteed by the Hungarian National Bank and commercial banks. Loans thus received may be repaid from income earned through production. The liquidation is made more difficult by unfavorable economic conditions. These conditions alone would have necessitated a continuous reduction in personnel. Just how many workers will be forced to seek new employment in the coming months is not yet known. Persons affected do not believe that drastic layoffs will take place

As reported, in recent days workers have begun to organize a workers council to protect their interests, but at the same time a trade union committee is also functioning in the plant. Business leaders said that if necessary, both organizations will be included in the negotiations so that workers suffer the least damage as a result of liquidation.

October Date Set

25000420c Budapest NEPSZAVA in Hungarian
23 Aug 89 p 4

[MTI report: "How Much is Pet Worth?"]

[Text] Pet Nitrogen is expected to be sold on open auction in October. The sale of the enterprise was decided on by the Council of Ministers last week.

The auction is being handled by the bankruptcy organization charged with settling Pet Nitrogen Works' financial matters. Laszlo Redei, president of the bankruptcy organization, said that this will be the first time that a Hungarian enterprise is auctioned away. They have already begun planning the auction. It is important what starting price they will use when opening the auction. The net value of Pet Nitrogen Works' fixed assets is 4.6 billion forints. In the course of the 18-month bankruptcy proceedings, several evaluations and estimates have been made and received concerning these assets; these values must always be taken into consideration when making decisions. One thing is certain: The starting price will be well below 4.6 billion forints.

The enterprise can be purchased by either domestic or foreign buyers. In the event that the firm is sold, the proceeds will be distributed proportionately among creditors. However, creditors could hardly count on receiving all the money owed to them.

Real Estate Sales to Foreigners Opposed

25000418c Budapest NEPSZABADSAG in Hungarian
8 Aug 89 p 4

[Text] The Budapest 3rd District chapter of the Hungarian Democratic Forum [MDF] registers its objection to the governmental action by which foreigners are enabled to freely acquire real estate in lieu of foreign exchange. The MDF chapter requests that the applicable measure be publicized in detail, and that its application be suspended until such time that a freely elected, legitimate National Assembly can render a decision.

1988 Scientific R&D Statistics Released

25000408a Budapest NEPSZABADSAG in Hungarian
7 Aug 89 p 4

[Text] Counting in current prices, allocations for purposes of scientific research and development increased by 4 percent in 1 year. Considering price increases and the effects of grossification, last year's 32.2-billion-forint investment had a real value of less than a year before.

This conclusion may be reached by examining a newly released assessment by the Central Statistical Office.

According to statistical data, there were 72,512 workers in Hungary's 1,323 research and development workplaces. Of these about 21,400 were actually engaged in scientific work. On the average, each 100 researchers had 73 assistants.

In 1988 the amount spent on research constituted 2.94 percent of national income spent in Hungary, and about two-thirds of these funds constituted enterprise money. The budget contributed only 5.4 billion forints for research purposes. At places where research and development was conducted, 5.2 billion forints of the available funds were spent on investments, 77.3 percent of which was used for the purchase of machines and instruments. Various equipment representing larger values was purchased mainly for purposes of development in the pharmaceutical industry, in the manufacture of electronic parts, and in the field of computer technology. Only one significant construction investment is shown by the statistics: The Agricultural Biotechnology Research Center has been completed.

Researchers and developers dealt with 30,000 subjects, and each 100 scientific specialists dealt with 140 subjects on the average. According to the assessment, about 8,500 completed research products are already being used in practice.

Part of the scientific results—about 2,700 subjects—were developed jointly by Hungarian and foreign specialists, and two-thirds of the published documentation appeared in foreign languages.

Joint Ventures With FRG, Italy Announced

Computer Technology

25000404c Budapest NEPSZAVA in Hungarian
15 Aug 89 p 9

[Text] Batavia-Cosy Engineering Electronics Development and Sales, Inc. is the name of a joint enterprise formed in Budapest. Initial capital amounting to 57 million forints was provided by the Hungarian Academy of Sciences, Computer Technology and Automation Research Institute, the National Commercial and Credit Bank, Inc., the Industrial Development Bank, Inc., the Transelectro trading house, and the West German Batavia M. Sawatzky GmbH. The latter contributed 19 million forints.

The main purpose of this venture is to establish modern series production and technology for computer technology, entertainment electronics, office technology, and guidance technology products, and to distribute those in the Hungarian market and in the rest of the socialist countries.

Esztergom Hotel

25000405a Budapest NEPSZABADSAG in Hungarian
11 Aug 89 p 8

[Text] The Budapest-based Creditum, Inc., and the FRG firms Impex Jurgens and Thomas H. E. Godehus are to jointly build a 100-bed hotel in Esztergom's Primas Island. A preliminary agreement has been reached for the construction of the 3-star hotel. A stock corporation is soon to be formed for the investment under the name of Strigonium Foreign Tourism and Investment Company, Inc. Initial capital amounts to 180 million forints. The Esztergom City Council will contribute its lot located on Primas Island to the new stock corporation. Plans call for the completion of the new hotel by 1991 or 1992. The city council is in the process of negotiating the establishment of another, 220-bed hotel, also to be financed by foreign capital. This hotel would also be built on Primas Island.

Electronics

25000404b Budapest NEPSZABADSAG in Hungarian
10 Aug 89 p 10

[Text] With the cooperation of Technoimpex, Inc. an agreement has been reached between Videoton and Christian Lohse GmbH of the FRG for the series production of so-called hybrid module power supplies, such as electronic automobile starter units, at the Szekesfehervar enterprise. These are state of the art resistors and condensers, and they contain integrated circuits.

Agriculture

25000420d Budapest NEPSZAVA in Hungarian
23 Aug 89 p 8

[Text] The Tisza cooperation of irrigated farms plans to become a Hungarian-Italian limited liability corporation. Comytali is the Italian partner of the new firm established under the name "Agrocom." The venture has 12 Hungarian partners, and will deal in agricultural and food products, and in commercial transactions.

POLAND**Doubts on IGLOOPOL Restructuring Voiced**

26000657 Warsaw GAZETA BANKOWA in Polish
No 22, 29 May-4 Jun 89 pp 1, 13

[Article by Zbigniew Zuzelski: "Igloogate"]

[Text] On 21 April 1989 the Civil Division of the Regional Court in Tarnow issued a decision to add IGLOOPOL SA to the commercial register under number RHB XIII 85 Associated Agricultural, Industrial and Commercial Plants. This was the first step in the liquidation of the largest farm-industrial combine in the country. The company was formed at the initiative of the combine's management, which took a block of stock large enough to give it control over the company. The

documents submitted to the registration court (the notary act on forming the company, and its statute) allow us to take a closer look at this still not-too-widespread economic activity on our market.

The company's operations are to include practically every kind of production, service and sales activity. This is revealed in the wording of the statute, in which, after a long list of planned types of activities, the following statement appears: "conduct of another type of production or service activity as indicated by a resolution of the General Assembly."

The company's stock capital was set at 14 billion zlotys and it was divided into 280,000 shares with a nominal value of 50,000 zlotys each. The shares were divided as follows:

- IGLOOPOL Farm-Industry Combine in Debica, 97,200 shares
- IGLOOPOL People's Sports Club in Debica, 42,000 shares
- IGLOOPOL Farm-Industry Combine Employees Trade Union, 280 shares
- Transakcja Sales-Service Enterprise (a limited liability company) in Warsaw, 42,000 shares
- IGLOOPOL Housing Cooperative in Debica, 14,000 shares
- Kami Service-Sales Farm Cooperative in Warsaw, 2,800 shares
- Sykomat Research-Applications Plants (a limited liability company) in Warsaw, 5,600 shares
- AGROTECHNIKA Sales-Production Groups ZK Rural Youth Union (a limited liability company) in Warsaw, 2,800 shares
- Piastpol People's Cooperative Enterprise in Warsaw, 28,000 shares
- ZK Rural Youth Union in Warsaw, 2,800 shares
- individuals, 42,000 shares

Of the stock purchasers, approximately 700 are persons who are not employees, annuitants or pensioners of IGLOOPOL.

The sports club, housing cooperative and farm-industry combine made nonmonetary contributions to the company. These are assets which are supposed to serve the company's operations. A detailed list is attached to the notary act in the commercial register.

All of the shares are registered and, by statute, their sale is subject to some basic restrictions. Stock allocated for individuals can be purchased only by IGLOOPOL employees, annuitants or pensioners. The statute permits purchase of stocks by third persons but makes this dependent upon the case-by-case consent of the company's board. Stocks purchased by legal entities and private individuals can be sold only with the permission of the company. The company has the right to refuse consent for an indicated purchaser and may itself designate the person who will buy the stock. In any case, stockholders have purchasing priority.

As I said at the beginning, the company was registered, therefore it officially exists and has begun its operations. At first glance, everything looks lovely, but when one looks closer, certain doubts arise.

The formation of the company is a stage in the liquidation of the IGLOOPOL Combine. The company's board expects that by the end of June the liquidation will be complete and the company will lease the combine's assets from the state treasury. But right now both economic organizations exist and both are operating. If this were not enough, the staff constituting the management of the combine and the general management of the company are the same people. Are we to understand from this that until 1500 the directors manage a state enterprise and after office hours they manage the company? Furthermore, I would like to see the person who is so capable that after 3 months of such prosperity he can make a financial accounting of the operations of both these organizations. These doubts are intensified by the fact that there is absolutely no mention of any kind of financial balance sheet for this enterprise in the register of state enterprises. Would it not have been more correct to first liquidate the combine and then start up the company's operations, or at least prepare a financial balance sheet for the combine as of the date the company's operations began?

The second doubt arises in connection with the issuance of the stock itself. In a situation in which a securities market is just beginning to be formed, the issuance of bearer shares which are not subject to the sales restrictions that registered shares are, should have been considered. The stipulations in the statute pertaining to selling of shares are incredible to me. What does it matter to the founders of the company whether the shares lie in the drawer of Mr X or Mr Y? Especially if we take into account that IGLOOPOL holds over 34 percent of the stock capital. The provision in the statute which orders an employee of a firm whose work contract has been terminated to sell his stock has to inspire particular opposition. As if this were not enough, an employee fired for disciplinary reasons also loses his right to a dividend and a proportional part of the assets. All of these "surprises" are contained in just one section of the statute, section 12.

Another problem is that of how the shares were distributed. The managing director of the company, in a telephone conversation, said that the question was "in bad taste." Also in bad taste was a similar question concerning the personnel data of the individuals outside the combine who purchased shares. Director Brzostowski used the words: "Even the most stupid bank protects the secrets of its clients, therefore I too should be concerned about seeing to it that information on who invested money in our stock is not spread about." None of the people I questioned was able to tell me why these particular persons and not others became stockholders. No public subscription was conducted and therefore the founders had a right to sell stock to whomever they wished. But all of this gives the impression that the

stocks were purchased by "the big man's relatives and friends." In any case, I decided to find out whose financial interests are represented by the legal entities which have their headquarters in Warsaw and are purchasers of IGLOOPOL SA stocks. In the commercial register and the register of cooperatives, which are open to the public, I read the following:

1) Transakcja Sales-Service Enterprise (a limited liability company) was entered into the commercial register on 8 December 1988. Its initial capital is 150 million zlotys and it was divided into 150 equal shares. Prasa-Ksiazka-Ruch Worker's Publishing Cooperative got 100 shares and the Academy of Social Sciences got 50 shares. The president of the supervisory council is Mr Janusz Basiak, head of the PZPR CC Economics Department.

2) Sykomat Research Applications Plants (a limited liability company) was entered into the commercial register on 5 March 1986. Its initial capital was 300,000. This was divided into 100 shares, of which 61 are owned by Agrotechnika Production Services Groups ZK Rural Youth Union (a limited liability company). Mr Czeslaw Syc owns 34 shares, and the remaining five shares are owned by Andrzej Misiorny. They were once managers of Agrotechnika plants and today are presidents of the companies in which it now has the majority shares.

3) Agrotechnika Production Services Groups ZK Rural Youth Union (a limited liability company), was formed on 19 October 1983 (notary act). Its initial capital is 1 million zlotys. This was divided into 100 shares, of which the Rural Youth Union has 99 and Mr Zbigniew Niemczynowicz has 1. Starting 8 March 1989, the one share is the joint property, in indivisible parts, of Mr Niemczynowicz and Mr Leszek Lesniak, former chairman of the Rural Youth Union National Board.

4) Kami Production, Services and Sales Farm Cooperative (with headquarters in Warsaw) was registered in August 1988. It was founded by 12 individuals, seven of whom are named Kaminski. One share in the cooperative is worth 100,000 zlotys. The chairman of the cooperative's board is Ryszard Henryk Kaminski, who was previously a proxy for Agrotechnika.

5) Piastpol People's Cooperative Enterprise. A cooperative of legal entities, it was formed in June 1988. The cooperative's share was set at 500,000 zlotys. The charter members are: ZSL, the Food Economy Bank, Interpegro Foreign Trade Society, and the Polish Horticultural Union. By statute, ZSL was guaranteed 50 percent plus 1 of all shares. Mr Ryszard Pazura, vice minister of finances and Mr Stanislaw Sliwinski, vice minister of agriculture, forestry and the food economy and now secretary of the SC ZSL, were present at the charter meeting.

Privatization of state assets is not an easy problem. Despite the fact that in the case under discussion we are not dealing with the buying-up of state assets (aside from the assets-in-kind brought in by the sports club and the combine), but with the intent to leasing them out, it

should be said that this can take place only under explicitly defined economic and legal criteria. If the legal construction of state ownership (i.e., no one's) did not prove to be true, then it should be discarded. However, everything should be conducted in a way that would prevent any suspicion that someone is quietly coming into possession of common assets based on somebody's whim.

In accordance with the law dated 25 September 1981 on state enterprises and the executive acts which were issued to accompany it, IGLOOPOL does not qualify for liquidation. This can be done on the basis of the 24 February 1989 law on certain conditions for the consolidation of the national economy and on the change of certain provisions (DZIENNIK USTAW No 10, item 57). But here, thus far, there are no executive regulations. If, despite this fact, IGLOOPOL is liquidated, the management of its assets will fall to the parent organ, i.e., the Ministry of Agriculture, Forestry and Food Economy. That is the organ that will have the power to make decisions on the possible leasing of the combine's assets to the company. It should be remembered that until recently the managing director of IGLOOPOL SA was the undersecretary of state in the ministry of agriculture, and currently he is the government representative for development, farm-industry organization and the shaping of living conditions in the countryside.

In connection with how the stock is distributed, one more problem arises, this time of a strictly juridical nature. According to information from one of the vice directors, not all of the stock allocated for purchase by individuals has been sold. About 100 million zlotys worth of stock still remains. The provisions of the Commercial Code say that all of the shares must be distributed before a company can be registered.

Proceeding further, the issuance of 15 percent of the shares in return for nonmonetary assets to the IGLOOPOL People's Sports Club gives the impression of a present given by a good uncle. After familiarizing myself with the details of the list of assets-in-kind contributed by the club I must say that these are costly items, but not very useful in production or trade. How, for example, do we assess the usefulness of a boxing ring for 1 million 81 thousand zlotys or a bicycle ergometer for 48,000 zlotys? As far as the assets-in-kind contributed by the combine are concerned, how the particular components were estimated is also questionable. In determining the value of the items, the price list used was certainly not the most recent. For example, it is hard to believe that a Kamaz truck costs slightly over 2 million zlotys and a Polonez automobile only a little over 1 million zlotys. Unless the point was to contribute as much as possible in the way of assets in return for 97,200 shares. The more that is brought in now, the less that will have to be leased later.

That is how the matter of the stock company from Debica looks now. The doubts that have been mentioned stem from the mistakes made by the founders. And the

mistakes are most likely the result of the haste in which the entire matter was completed. Naturally, haste is indicated in economic activity, but not at the price of such serious mistakes. Why the haste was necessary it is difficult to guess. Several people from Debica and Tarnow suggested: "This company, sir, is a new kind of elections kielbasa."

Insurance Firm Offers Hedge Against Inflation

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[Article by Piotr Aleksandrowicz: "Staking One's All"]

[Text] Chairman of the cooperative insurance company Westa Baranowski has offered insurance against inflation.

Are deposits at Westa indeed more advantageous than at other banks? Does it really protect against inflation? Some calculations will bring us closer to answering these questions.

Deposits Insured for 2 Years

The formula which Westa intends to use in calculating the payment due¹ in this case looks as follows:

Total payment = amount of deposit x [2 x (W1 + W2) + 2.4]

where W1 and W2 are the indicators of the cost of living according to the GUS [Main Office of Statistics]. The PKO [Polish Savings Bank] has accepted the principle that for 2-year deposits the rate of interest to be used is that which is equal to the projected indicator of inflation in successive years. Therefore, the amounts paid out by the PKO ensure the defense of money from inflation from the technical point of view. These indicators are not equal to each other, but usually the difference is not great (assuming that the forecast was correct or that revalorization was done at the PKO post factum), and it can be ignored in making simplified calculations. In the table, I present the sums which a citizen insured by Westa and a citizen who has a 2-year certificate of deposit at the PKO will receive.

The amount in this example is 1,000 zlotys, and I also omit the cost of insurance, which is extremely modest, and amounts to 2 zlotys a year. (Table 1).

Table 1

W1	W2 (percent)	Westa (zlotys)	PKO (zlotys)	Net profit (zlotys)
50	100	5,400	3,000	2,400
50	200	7,400	4,500	2,900
50	50	4,400	2,250	2,150
50	30	4,000	1,950	2,050
300	300	14,400	16,000	1600

The calculations suggest that Westa as a rule not only protects from inflation but in addition allows the owner of the capital to make a good deal of money. At relatively low rates of inflation, the net profit even exceeds the revalued capital. This will require that the profit margin of investments made by Westa be very high, especially if the extra overhead of the company, fees, taxes, and so on are taken into account. Chairman Baranowski announced that Westa will invest in real estate, and will build and sell apartments. This is the seller's market, and given the cycle of construction amounting to, say, 6 to 8 months Westa has a chance to generate profits which will make it possible to meet the declaration. The problem which remains is the amount of money which the company will be in a position to turn into villas and apartments given the limited supply of land, construction materials, and so forth.

For the sake of order, we should also add that if inflation in either of the 2 years does not exceed 100 percent Westa will always be a better deal than the PKO. However, if the growth of the cost of living exceeds 100 percent by a very large margin, Westa ceases to protect from inflation, as shown in the last line of the table.

Insurance for 3 Years

For the PKO, I assume the continuation of the rule currently in effect that the interest on multiyear deposits should exceed the rate of inflation I and amount to $1.2 \times I$. For this reason, the quota protecting from inflation is lower than the one offered by the PKO. (Table 2).

Table 2

W ¹	W ²	W ³	Westa	PKO	Quota protecting from inflation
	(percent)		(zlotys)	(zlotys)	(zlotys)
100	150	200	12,900	20,944	15,000
100	100	100	9,900	10,648	8,000
100	70	40	8,100	5,991	4,760
50	70	100	8,300	6,476	5,100
50	150	300	13,900	20,608	15,000
50	50	50	6,900	4,096	3,375
50	30	10	5,700	2,437	2,134

Just as in the previous case, at lower rates of inflation Westa does not only protect against it, but also makes it possible to make money, sometimes more than the PKO. However, the limit of profitability of insurance shifts downward and, for example, at the constant inflation rate of 125 percent the policy ceases to protect from depreciation, contrary to what the advertisement says. At present, it is difficult to evaluate how the inflationary processes are actually going to turn out.

The PKO formula always gives a guarantee of protecting the money on the condition, however, that it will remain in effect, and that the interest rates will be adjusted to actual inflation. Meanwhile, it is said increasingly often that just the opposite will happen—the PKO and other banks will abandon 3-year deposits because they are unprofitable, since the rate of interest on the most expensive credit cannot exceed the minimal rate of interest on 3-year deposits.

Insurance for 5 Years

A detailed calculation is too complicated, and it is not worthwhile to toy with guessing at the inflation rate 5 years down the road. However, it is worthwhile to just observe that even given a constant inflation rate during the entire period at a level slightly above 50 percent a year the PKO rules are more favorable, but the probability of their continuation is not great, as I have already mentioned. Given constant inflation at a level of 70 percent annually Westa ceases to protect the deposits.

The conclusions from these calculations are as follows. The offer by Westa appears to be a one-time deal, and reservations concerning the failure to extend the policy to all interested parties indicate a limited opportunity to invest the sums amassed. This may be the reason why the advertising campaign is modest. It may be assumed that Westa should be the most interested in long-term insurance; in turn, 2-year insurance appears to be the most favorable for customers. Compared to the PKO, Westa offers advantageous conditions in most cases, but not all, including its failure to protect from hyperinflation. In turn, it is likely that the policy of the PKO will change unfavorably or that the interest rates will not be adjusted for the actual inflation rate, which, after all, has already happened in the past.

The Westa undertaking is, perhaps, the first serious attempt at creating a joint fund which amasses the funds of citizens and invests them with a view to securing a return higher than the rate of inflation. The influx of funds may be considerable, and, due to this, difficult to handle. Westa promises interest at the rate of 1.5 times that of the PKO on-demand passbooks to those who will not be covered by the policy. Decisions in individual cases are to be made within 6 months. Since this is less than the interest on 6-month certificates of deposit, Westa should safeguard itself against suspicions, and announce in advance the timing for closing the cashier's window in the event the interest begins to exceed its investment potential. It should also write a balanced portfolio of policies in order to avoid the eventual accusation of accepting 5-year deposits only.

Footnotes

1. $S = K \times L \times (2 \times W + R + 1)$, where S is the sum paid out, K—the sum paid in, L—the duration of insurance in years, W—the average annual increment in the cost of living (arithmetic mean), R—corrective coefficient of between 0.2 and 0.5 for deposits insured for between 2 and 5 years respectively.

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